

REVENUE AND TAXATION CODE

CONTENTS

		<i>Page</i>
DIVISION	2	OTHER TAXES..... 2205
PART	5	VEHICLE LICENSE FEE 2205
CHAPTER	1	GENERAL PROVISIONS AND DEFINITIONS 2205
Section	10701	Title..... 2205
	10702	“Vehicle” 2205
	10703	“Department” 2205
	10704	“Horseless carriage” 2205
	10705	“Registration year” 2205
	10706	“Year-round registration” 2205
	10707	“1976 registration year” [Repealed]..... 2206
CHAPTER	2	IMPOSITION OF FEE..... 2206
ARTICLE	1	COMPUTATION OF FEE..... 2206
Section	10751	Imposition of fee..... 2206
	10752	Measure of fee 2207
	10752.1	Measure of fee; trailer coach..... 2207
	10753	Basis of valuation..... 2207
	10753	Basis of valuation [Repealed]..... 2209
	10753.1	Determination of market value [Repealed]. 2209
	10753.2	Determination of market value..... 2209
	10753.3	Determination of market value; trailer coach..... 2211
	10753.4	Cost price; computation and separate statement; trailer coach..... 2212
	10753.5	Amount of fee for vehicle of historic value 2212
	10753.6	Exclusion; cost of modifications for disabled person 2212
	10753.7	Adjustment of fee..... 2213
	10753.8	Surcharge..... 2213
	10753.9	Determination of market value [Repealed]. 2213
	10754	Vehicle license fee; offset 2213
	10754.1	International Registration Program 2216.1
	10754.2	Revenue forecast; exclusion [Repealed]..... 2216.1
	10754.2	Vehicle license fee; additional offset [Repealed] 2216.1
	10755	Registration year less than or more than 12 months 2216.1
	10756	Exempt vehicles; change of ownership; fee..... 2216.1
	10757	Transfer of ownership; additional fee 2216.2

CONTENTS (Contd)

		<i>Page</i>
	10758 Fee in lieu of ad valorem taxes	2217
	10759 Fee to be in even dollars	2217
	10759.5 Lapsed registration [Repealed]	2217
	10759.5 Alternative fuels; exemption	2218
	10760 Waiver of delinquency [Repealed]	2219
	10760 Reinstatement	2219
ARTICLE 1.5	TRAILER COACHES	2220
Section 10766	“Trailer coach” defined	2220
	10767 Application of this part	2220
	10768 Sections not applicable	2220
	10769 Delinquency	2220
	10770 Penalty for delinquency	2220
ARTICLE 2	EXEMPTIONS	2221
Section 10781	Vehicles owned by United States, foreign governments, state, etc.	2221
	10781.1 Vehicles owned by Indian tribes	2221
	10782 Vehicles leased by state; persons engaged in transportation	2221
	10783 Vehicles owned by disabled veterans	2223
	10784 Mobilehomes sold and installed on foundation systems	2223
	10785 New mobilehomes sold and installed for occupancy	2224
	10786 Fire-fighting vehicles owned by colleges ...	2224
	10787 Vehicles operated by the Civil Air Patrol ...	2224
	10788 Mobilehomes owned by disabled veterans .	2224
	10789 Vehicles purchased with federal funds for specialized transportation	2225
CHAPTER 3	COLLECTIONS AND REFUNDS	2226
ARTICLE 1	PAYMENTS	2226
Section 10851	Time of payment [Repealed]	2226
	10851 Time of payment [Repealed]	2226
	10851 Time of payment	2226
	10852 Collection of fee; receipt	2226
	10853 Delinquency	2226
	10854 Penalty for delinquency [Repealed]	2226
	10854 Penalty for delinquency [Repealed]	2226
	10854 Penalty for delinquency	2227
	10854.1 Effect of unpaid check	2227
	10855 Nonoperation, affidavit of [Repealed]	2227
	10856 Collection of current fee; penalty	2227
	10857 Repossession, effect on penalty	2227

CONTENTS (Contd)

		<i>Page</i>
	10858	Waivers of penalties to transferees 2228
ARTICLE 2		SEIZURE AND SALE 2229
Section	10876	Lien, what constitutes 2229
	10877	Seizure and sale 2229
	10878	Franchise Tax Board collection responsibility and authorization 2229
	10879	Lessee and lessor liability 2231
ARTICLE 3		REFUNDS 2232
Section	10901	Refund of fee erroneously collected 2232
	10902	Refund of fee; total loss or theft..... 2232
	10903	Additional offset fee appropriation [Repealed] 2233
ARTICLE 4		PETITIONS FOR REINSTATEMENT OF MOBILEHOMES [Repealed] 2233
Section	10910	Petition for reinstatement [Repealed] 2233
	10911	Service fee; investigation; excusable delay [Repealed] 2233
	10912	Notice of decision [Repealed] 2233
	10913	Reinstatement; delinquent fees and penalties or local property taxes [Repealed] 2233
	10914	Failure of dealer or escrow officer to pay license fee timely [Repealed]..... 2233
	10915	“Director” [Repealed] 2233
	10916	Staff [Repealed] 2233
	10917	Disposition of service fees [Repealed] 2233
CHAPTER 4		ADMINISTRATION 2233
Section	10951	Duty of department..... 2233
	10952	Employment of help 2233
CHAPTER 5		DISTRIBUTION OF PROCEEDS 2233
Section	11000	Transfer to Transportation Tax Fund..... 2234
	11000.1	Transfer to Transportation Tax Fund..... 2235
	11001	Fees collected, report of and deposit in fund 2236
	11001.5	Fees collected, deposit in fund 2236
	11002	Appropriations from fund 2238
	11003	Appropriation for use of department..... 2238
	11003.1	Reports of trailer coach registrations [Repealed] 2239
	11003.1	Deposit of license fees..... 2239
	11003.2	Transmission of report to assessor [Repealed] 2239

CONTENTS (Contd)

		<i>Page</i>
	11003.3 Disbursement of money collected on trailer coaches [Repealed]	2239
	11003.4 Distribution within county [Repealed]	2239
	11004 Appropriation for payment of bonds.....	2239
	11004.5 Appropriation for Highway Patrol	2239
	11005 Disbursement of balance of fund.....	2240
	11005.1 Disbursements by city and county	2244
	11005.2 Restrictions on allocations	2244
	11005.3 Newly incorporated city; determination of population	2244
	11005.4 1993–94 fiscal-year allocations	2246
	11005.5 Payments to inactive cities.....	2246
	11005.6 Estimates of increased population	2246
	11005.7 Adjustments to reimbursement for fiscal year 1981–82: cities [Repealed].....	2247
	11005.7 Allocations.....	2247
	11005.75 Adjustments to reimbursement for fiscal year 1982–83: cities [Repealed].....	2248
	11005.8 Adjustments to reimbursement for fiscal year 1981–82: counties and cities and counties [Repealed].....	2248
	11005.85 Adjustments to reimbursement for fiscal year 1982–83: counties and cities and counties [Repealed].....	2248
	11005.86 “1982–83 Assessed Value” [Repealed].....	2248
	11006 Recalculations; commercial vehicles	2248
PART	5.5 LOCAL VEHICLE LICENSE FEE SURCHARGE	2251
Section	11151 Definitions	2251
	11152 Imposition of fee	2251
	11152.5 Inoperative date: fare increase.....	2251
	11153 Operative date: ordinance or resolution	2251
	11154 Imposition of fee	2251
	11155 Disposition of funds	2252
	11156 Presumption of use	2252

REVENUE AND TAXATION CODE

DIVISION 2. OTHER TAXES

PART 5. VEHICLE LICENSE FEE *

Enacted Statutes 1941, Chapter 40; amended Statutes 1941, Chapter 832; Statutes 1943, Chapters 588, 589, 877; Statutes Fourth Extra Session 1944, Chapter 4; Statutes 1945, Chapters 1020, 1218; Statutes 1947, Chapters 848, 1168; Statutes First Extra Session 1947, Chapter 3; Statutes 1948, Chapters 26, 28; Statutes 1949, Chapters 149, 237, 1270, 1290, 1298, 1582; Statutes 1950, Chapter 4; Statutes 1951, Chapters 23, 851, 958, 982; Statutes 1953, Chapters 517, 854; Statutes 1955, Chapters 1369, 1653; Statutes 1957, Chapters 1143, 1176, 1177; Statutes 1959, Chapters 1, 3, 512, 791, 805, 1626; Statutes 1961, Chapters 20, 58, 199, 1584; Statutes 1962, Chapter 1; Statutes 1963, Chapters 688, 1852, 1863, 1868; Statutes First Extra Session 1964, Chapter 53; Statutes 1965, Chapters 231, 1014, 2016; Statutes 1967, Chapters 435, 1289, 1445, 1621; Statutes 1968, Chapter 107; Statutes 1969, Chapters 29, 126, 214, 556, 893, 1444; Statutes 1970, Chapters 13, 1489, 1507; Statutes 1971, Chapters 1182, 1243, 1353, 1437, 1448; Statutes 1972, Chapters 347, 805, 1191; Statutes 1973, Chapters 358, 411, 806, 889; Statutes 1974, Chapters 922, 1051, 1204, 1330; Statutes 1975, Chapters 224, 575, 957, 1186; Statutes 1976, Chapters 935, 1043; Statutes 1977, Chapters 361, 373, 821; Statutes 1978, Chapter 354; Statutes 1979, Chapters 612, 1180; Statutes 1980, Chapters 285, 371, 650, 1149; Statutes 1981, Chapters 101, 133, 975.

- Chapter 1. General Provisions and Definitions. §§ 10701–10707.
2. Imposition of Fee. §§ 10751–10789.
3. Collections and Refunds. §§ 10851–10917.
4. Administration. §§ 10951–10952.
5. Distribution of Proceeds. §§ 11000–11006.

CHAPTER 1. GENERAL PROVISIONS AND DEFINITIONS

- § 10701. Title.
- § 10702. “Vehicle.”
- § 10703. “Department.”
- § 10704. “Horseless carriage.”
- § 10705. “Registration year.”
- § 10706. “Year-round registration.”
- § 10707. “1976 registration year.” [Repealed.]

10701. **Title.** This part is known and may be cited as the “Vehicle License Fee Law.”

10702. **“Vehicle.”** “Vehicle” means every vehicle subject to registration under the Vehicle Code.

10703. **“Department.”** “Department” means the Department of Motor Vehicles.

10704. **“Horseless carriage.”** “Horseless carriage” means any vehicle within the provisions of Section 5004 of the Vehicle Code.

History.—Added by Stats. 1971, p. 2840, effective March 4, 1972.

10705. **“Registration year.”** “Registration year” is the period of time beginning with the date the vehicle is first required to be registered in this state under the provisions of the Vehicle Code and ending on the date designated by the Director of Motor Vehicles for expiration of the registration or the period of time designated for subsequent renewal thereof.

History.—Added by Stats. 1973, Ch. 889, p. 1644, in effect September 28, 1973.

10706. **“Year-round registration.”** “Year-round registration” is a system whereby the Director of Motor Vehicles designates a date for the

* The provisions of this part, except as otherwise noted, became effective July 1, 1943.

expiration of registration of a vehicle and renewal thereof in order to equalize the volume of such renewals throughout the year.

History.—Added by Stats. 1973, Ch. 889, p. 1644, in effect September 28, 1973.

10707. “1976 registration year.” [Repealed by Stats. 1998, Ch. 601 (SB 1250), in effect January 1, 1999.]

CHAPTER 2. IMPOSITION OF FEE

- Article 1. Computation of Fee. §§ 10751–10760.
1.5. Trailer Coaches. §§ 10766–10770.
2. Exemptions. §§ 10781–10788.

Article 1. Computation of Fee

- § 10751. Imposition of fee.
§ 10752. Measure of fee.
§ 10752.1. Measure of fee; trailer coach.
§ 10753. Basis of valuation.
§ 10753. Basis of valuation. [Repealed.]
§ 10753.1. Determination of market value. [Repealed.]
§ 10753.2. Determination of market value.
§ 10753.3. Determination of market value; trailer coach.
§ 10753.4. Cost price; computation and separate statement; trailer coach.
§ 10753.5. Amount of fee for vehicle of historic value.
§ 10753.6. Exclusion; cost of modifications for disabled person.
§ 10753.7. Adjustment of fee.
§ 10753.8. Surcharge.
§ 10753.9. Determination of market value. [Repealed.]
§ 10754. Vehicle license fee; offset.
§ 10754.1. International Registration Program.
§ 10754.2. Revenue forecast; exclusion. [Repealed.]
§ 10754.2. Vehicle license fee; additional offset. [Repealed.]
§ 10755. Registration year less than or more than 12 months.
§ 10756. Exempt vehicles; change of ownership; fee.
§ 10757. Transfer of ownership; additional fee.
§ 10758. Fee in lieu of ad valorem taxes.
§ 10759. Fee to be in even dollars.
§ 10759.5. Lapsed registration. [Repealed.]
§ 10759.5. Alternative fuels; exemption.
§ 10760. Waiver of delinquency. [Repealed.]
§ 10760. Reinstatement.

10751. Imposition of fee. A license fee is hereby imposed for the privilege of operating upon the public highways in this state any vehicle of a type which is subject to registration under the Vehicle Code, or any trailer coach which is required to be moved under permit as authorized in Section 35790 of the Vehicle Code and which is not subject to local property taxation pursuant to Part 13 (commencing with Section 5800) of Division 1. Vehicles of banks, including national banking associations, shall be subject to all provisions of the Vehicle Code to the same extent and same manner as other vehicles, and shall be subject to this part.

History.—Stats. 1943, p. 2170, in effect August 4, 1943, added “which is” in the first sentence. Stats. 1970, p. 2968, effective November 23, 1970, added “(a) Except as provided in subdivision (b),” and subdivision (b). Stats. 1973, Ch. 889, p. 1645, in effect September 28, 1973, operative March 19, 1975, deleted the subdivision letters, “Except as provided in subdivision (b),” in the first sentence, and former subdivision (b). Stats. 1974, Ch. 1330, p. 2886, in effect September 26, 1974, postponed the operative date of Stats. 1973, Ch. 889, p. 1645, to March 8, 1976. Stats. 1975, Ch. 575, p. 1153, in effect September 6, 1975, operative March 8, 1976, added the second sentence. Stats. 1980, Ch. 1149, in effect January 1, 1981, added the balance of the first sentence after the first “Vehicle Code”.

Application to servicemen.—The California vehicle license fee constitutes a personal property tax from which nonresident servicemen stationed in California are exempt under the Soldiers' and Sailors' Civil Relief Act of 1940. *California v. Buzard*, 382 U.S. 386, affirming *People v. Buzard*, 61 Cal.2d 833.

Vehicles operated solely on federal roads.—Respondent's vehicles, operated solely on the federal roads within Yosemite National Park, are not subject to the Vehicle License Fee Law or the registration and fee requirements of the Vehicle Code. *Yosemite Park & Curry Co. v. Dept. of Motor Vehicles*, 177 Cal.App.2d 448.

10752. Measure of fee. The annual amount of the license fee for any vehicle, other than a trailer or semitrailer, as described in subdivision (a) of Section 5014.1 of the Vehicle Code, or a trailer coach that is required to be moved under permit as authorized in Section 35790 of the Vehicle Code, shall be a sum equal to 2 percent of the market value of the vehicle as determined by the department.

History.—Stats. 1948, p. 129, operative January 1, 1949, substituted "two (2)" for "1¾", and deleted "actual" before "market value". Stats. 1971, p. 2840, effective March 4, 1972, added "(a) Except as provided in subdivision (b)" at the beginning of the first sentence and added subdivision (b). Stats. 1972, p. 1433, in effect August 11, 1972, deleted "(a) Except as provided in subdivision (b)" at the beginning of the first sentence and former subdivision (b). Stats. 1974, Ch. 1051, p. 2267, in effect January 1, 1975, added "for any vehicle other than a trailer coach which is required to be moved under permit as authorized in Section 35790 of the Vehicle Code" after "license fee", and substituted "2" for "two (2)". Stats. 2000, Ch. 861 (SB 2084), in effect September 29, 2000, added a comma after "any vehicle", added "or semitrailer or a trailer" after the first "a trailer", substituted "that" for "which" after "coach", and added a comma after "Code" in the first sentence. Stats. 2000, Ch. 861 (SB 2084), in effect September 29, 2000, added a comma after "any vehicle", added "or semitrailer or a trailer" after the first "a trailer", substituted "that" for "which" after "coach", and added a comma after "Code" in the first sentence. Stats. 2001, Ch. 826 (AB 1472), in effect January 1, 2002, added ", as described in subdivision (a) of Section 5014.1 of the Vehicle Code," after "semitrailer" in the first sentence of the first paragraph.

Note.—Section 1 of Stats. 2001, Ch. 826 (AB 1472) provided that:

(a) The Legislature finds and declares that it is necessary to convert California's system of commercial vehicle registration from an unladen weight system to a gross vehicle weight system and to initiate a permanent trailer identification program. Furthermore, it is the intent of the Legislature that this conversion be revenue neutral to all cities and counties and all unladen weight fee system recipients.

(b) For the purposes of this act, "revenue neutrality" requires that all recipients of the fees collected under the system in effect on December 31, 2001, shall receive the same level of funding, with the same degree of flexibility, after the conversion to the system created by this act.

10752.1. Measure of fee; trailer coach. The annual amount of the license fee for a trailer coach which is required to be moved under permit as authorized in Section 35790 of the Vehicle Code shall be a sum equal to 2 percent of the market value of the vehicle as determined by the department.

History.—Added by Stats. 1974, Ch. 1051, p. 2268, in effect January 1, 1975.

10753. Basis of valuation. (a) Upon the first sale of a new vehicle to a consumer and upon each sale of a used vehicle to a consumer, the department shall determine the market value of the vehicle on the basis of the cost price to the purchaser as evidenced by a certificate of cost, but not including California sales or use tax or any local sales, transactions, use, or other local tax. "Cost price" includes the value of any modifications made by the seller.

(b) Notwithstanding subdivision (a), the department shall not redetermine the market value of used vehicles, or modify the vehicle license fee classification of used vehicles determined pursuant to Section 10753.2, when the seller is the parent, grandparent, child, grandchild, or spouse of the purchaser, and the seller is not engaged in the business of selling vehicles subject to registration under the Vehicle Code, or when a lessor, as defined in Section 372 of the Vehicle Code, transfers title and registration of a vehicle to the lessee at the expiration or termination of a lease.

(c) (1) In the event that any commercial vehicle is modified or additions are made to the chassis or body at a cost of two thousand dollars (\$2,000) or more, but not including any change of engine of the same type or any cost of repairs to a commercial vehicle, the owner of the commercial vehicle shall report any modification or addition to the department and the department shall classify or reclassify the commercial vehicle in its proper class as provided in Section 10753.2, taking into consideration the increase in the market value of the commercial vehicle due to those modifications or additions, and any reclassification resulting in increase in market value shall be based on the cost to the consumer of those modifications or additions. In the event any vehicle is modified or altered resulting in a decrease in the market value thereof of two hundred dollars (\$200) or more as reported to and determined by the department, the department shall classify or reclassify the vehicle in its proper class as provided in Section 10753.2.

(2) Paragraph (1) does not apply under any of the following conditions:

(A) When the cost of any modification or addition to the chassis or body of a commercial vehicle is less than two thousand dollars (\$2,000).

(B) When the cost is for modifications or additions necessary to incorporate a system approved by the State Air Resources Board as meeting the emission standards set forth in subdivisions (a) and (b) of former Section 39102 and former Section 39102.5 of the Health and Safety Code as they read on December 31, 1975.

(C) When the cost is for modifications that are necessary to enable a disabled person to use or operate the vehicle.

(3) For purposes of this subdivision, "commercial vehicle" means a "commercial vehicle," as defined in Section 260 of the Vehicle Code, that is regulated by the Department of the California Highway Patrol pursuant to Sections 2813 and 34500 of the Vehicle Code.

(d) This section also applies to a system as specified in subdivision (c) that is approved by the State Air Resources Board as meeting the emission standards specified in subdivisions (a) and (b) of former Section 39102 and former Section 39102.5 of the Health and Safety Code as they read on December 31, 1975, for vehicles 6,001 pounds or less, manufacturer's gross vehicle weight, controlled to meet exhaust emission standards when sold new, when that system is used in any vehicle over 6,001 pounds or any vehicle 6,001 pounds or less not controlled to meet exhaust emission standards.

(e) The temporary attachment of any camper, as defined in Section 243 of the Vehicle Code, to a vehicle is not a modification or addition for the purposes of subdivision (c).

(f) The attachment to a vehicle of radiotelephone equipment furnished by a telephone corporation, as defined in Section 234 of the Public Utilities Code, is not a modification or addition for the purpose of subdivision (c), when that equipment is not owned by the owner of the vehicle.

(g) For purposes of this section, “vehicle” does not include trailers or semitrailers.

History.—Stats. 1948, p. 129, operative January 1, 1949, substituted present section for provision that department should compile and publish a list showing market value of vehicles. Stats. 1963, p. 1696, in effect September 20, 1963, added subdivision (e). Stats. 1965, p. 1204, in effect September 17, 1965, added subdivision (f). Stats. 1967, p. 1647, in effect November 8, 1967, amended subdivisions (a), (b), (c), and added subdivision (g), substituting the present basis for valuation for the former system under which all vehicles were valued on the basis of “delivered prices” and “cost price” was used only for certain commercial vehicles. Stats. 1969, p. 132, effective November 10, 1969, substituted “as” for “is” after “and defined” in subdivision (a); and substituted “Section 39129” for “Section 24390” in subdivision (b). Stats. 1970, p. 2992, in effect November 23, 1970, added the language following “(\$200)” in the second paragraph of subdivision (d). Stats. 1971, p. 2253, effective October 19, 1971, inserted subdivision (e) and relettered subdivisions (e) to (g) as subdivisions (f) to (h). Stats. 1975, Ch. 957, p. 2228, in effect January 1, 1976 substituted “former Section 39102 and former Section 39102.5 of the Health and Safety Code as they read on December 31, 1975” for “Section 39102 and Section 39102.5 of the Health and Safety Code” in the second paragraph of subdivision (d) and in subdivision (e); deleted “California” after “Section 234 of the” in subdivision (g); and substituted “cost of motor vehicle pollution” for “emission”, “Part 5 (commencing with Section 43000) of Division 26” for “Section 39129”, and “Automobile Information Disclosure Act (15 U.S.C., Secs. 1231 to 1233, inclusive)” for “Federal Automobile Information Disclosure Act of 1958” in subdivision (h). Stats. 1977, Ch. 373, in effect August 24, 1977, added the subsection numbers and added subsection (3) in the second paragraph of subdivision (d). Stats. 1983, Ch. 323, in effect July 21, 1983, operative October 1, 1983, substituted subdivision (a) for former subdivisions (a), (b), and (c); relettered former subdivisions (d), (e), (f), and (g) as (b), (c), (d), and (e), respectively; substituted “(b)” for “(d)” after “subdivision” in subdivisions (c), (d), and (e); and deleted former subdivision (h). Stats. 1991, Ch. 87, in effect June 30, 1991, operative August 1, 1991, substituted “upon the first sale . . . to a consumer” for “on all vehicles” after “part” in subdivision (a); added new subdivision (b); relettered former subdivisions (b), (c), (d), and (e) as subdivisions (c), (d), (e), and (f) respectively; added “10753.1 or” after “Section” in the first and second sentences of the first paragraph of the subdivision (c); and substituted “(c)” for “(b)” after “subdivision” in subdivisions (e) and (f). Stats. 1996, Ch. 228, in effect July 22, 1996, substituted “Upon” for “For the purposes of this part, upon”, substituted “sales, transactions, use, or” for “sales or” after “or any local” in the first sentence, and added the second sentence, commencing with “Cost price shall” in subdivision (a); numbered the first paragraph as paragraph (1), substituted “commercial vehicle” for “vehicle” six times, substituted “two thousand dollars (\$2,000)” for “two hundred dollars (\$200)” after “a cost of”, substituted “any modification” for “any such modification” after “vehicle shall report”, and substituted “those” for “such” twice in paragraph (1), numbered the second paragraph as paragraph (2), substituted “Paragraph (1) shall not apply to any of the following: (A) When” for “The foregoing provisions of this subdivision shall not apply in the event: (1)”, substituted “commercial vehicle is less than two thousand dollars (\$2,000). (B) When” for “vehicle is less than two hundred dollars (\$200), (2)” after “body of a”, substituted “1975. (C) When” for “1975, or (3)” after “on December 31,” substituted “that” for “which” after “is for modifications”, and added paragraph (3) to subdivision (c); added subdivision (g); and substituted “the” or “those” for “such” throughout the text. Stats. 1997, Ch. 17 (SB 947), in effect January 1, 1998, substituted “includes” for “shall include” after “Cost price” in the second sentence of subdivision (a); substituted “addition” for “additions” after “any modification or” in paragraph (1) and subparagraph (A) of paragraph (2), substituted “does” for “shall” after “Paragraph (1), substituted “under” for “to” after “apply”, and added “conditions” after “following” in the first sentence of paragraph (2), substituted “commercial vehicle,” for “vehicle” in paragraph (3) of subdivision (c); and substituted “also applies” for “is also applicable” after “This section”, added “as” after “a system”, added “that is” after “subdivision (c)”, and substituted “that” for “such a” after “when” in the first sentence of subdivision (d). Stats. 1999, Ch. 724 (AB 1650), in effect January 1, 2000, substituted “2001” for “2000” after “January 1”, and added “, unless a later . . . that date” after “date is repealed” in subdivision (g). Stats. 2000, Ch. 596 (AB 2909), in effect January 1, 2001, added “California” after “Department of the” in the first sentence of paragraph (3) of subdivision (c), deleted former subdivision (g) which provided “This section shall remain in effect only until January 1, 2000, and as of that date is repealed.”, and added subdivision (g). Stats. 2003, Ch. 594 (SB 315), in effect January 1, 2004, substituted “Section 10753.2” for “Section 10753.1 or 10753.2” after “determined pursuant to” in the first sentence of subdivision (b); and added “that” after “In the event”, substituted “Section 10753.2” for “Section 10753.1 or 10753.2” after “as provided in”, and added “an” after “consumer resulting in” in the first sentence, and substituted “Section 10753.2” for “Section 10753.1 or 10753.2” after “as provided in” in the second sentence of paragraph (1) of subdivision (c).

Note.—Sections 152–154 of Stats. 1983, Ch. 323, provided no payment by state to local agencies or school districts because of this act. Sec. 155 thereof provided the provisions of this act shall remain in effect unless and until they are amended or repealed by a later enacted act. Sec. 156 thereof provided that the provisions of the act are severable.

Note.—Stats. 1991, Ch. 87, clarified that the provisions of Section 10753 shall become operative August 1, 1991.

10753. Basis of valuation. [Repealed by Stats. 2000, Ch. 596 (AB 2909) in effect January 1, 2001.]

10753.1. Determination of market value. [Repealed by Stats. 2001, Ch. 744 (SB 1182), in effect January 1, 2002.]

10753.2. Determination of market value. (a) After determining the cost price to the purchaser, as provided in this article, the department shall classify or reclassify every vehicle, other than a trailer or semitrailer, as described in subdivision (a) of Section 5014.1 of the Vehicle Code, in its proper class according to the classification plan set forth in this section.

(b) For the purpose of this part, a classification plan is established consisting of the following classes: a class from zero dollars (\$0) to and including forty-nine dollars and ninety-nine cents (\$49.99); a class from fifty dollars (\$50) to and including one hundred ninety-nine dollars and ninety-nine cents (\$199.99); and thereafter a series of classes successively set up in brackets having a spread of two hundred dollars (\$200), consisting of a number of classes that will permit classification of all vehicles.

(c) The market value of a vehicle, other than a trailer or semitrailer, as described in subdivision (a) of Section 5014.1 of the Vehicle Code, for each registration year, starting with the year the vehicle was first sold to a consumer as a new vehicle, or the year the vehicle was first purchased or assembled by the person applying for original registration in this state, or the year the vehicle was sold to the current registered owner as a used vehicle, shall be as follows: for the first year, 100 percent of a sum equal to the middle point between the extremes of its class as established in subdivision (b); for the second year, 90 percent of that sum; for the third year, 80 percent of that sum; for the fourth year, 70 percent of that sum; for the fifth year, 60 percent of that sum; for the sixth year, 50 percent of that sum; for the seventh year, 40 percent of that sum; for the eighth year, 30 percent of that sum; for the ninth year, 25 percent of that sum; and for the 10th year, 20 percent of that sum; and for the 11th year and each succeeding year, 15 percent of that sum; provided, however, that the minimum tax shall be the sum of one dollar (\$1). Notwithstanding this subdivision, the market value of a trailer coach first sold on and after January 1, 1966, which is required to be moved under permit as authorized in Section 35790 of the Vehicle Code, shall be determined by the schedule in Section 10753.3.

(d) This section shall cease to be operative on the first day of the month following the month in which the Department of Motor Vehicles is notified by the Department of Finance of a final judicial determination by the California Supreme Court or any California court of appeal of either of the following:

(1) The allocation of funds from the Vehicle License Fee Account or the Vehicle License Fee Growth Account of the Local Revenue Fund established during the 1991–92 Regular Session is in violation of Section 15 of Article XI of the California Constitution.

(2) The state is obligated to reimburse counties for costs of providing medical services to medically indigent adults pursuant to Chapters 328 and 1594 of the Statutes of 1982.

History.—Added by Stats. 1948, p. 130, operative January 1, 1949. Stats. 1965, p. 4546, in effect September 17, 1965, added all after “(\$1)” in subdivision (c) and added subdivision (e). Stats. 1967, p. 1648, in effect November 8, 1967, substituted “suggested base price” for “delivered price”. Stats. 1973, Ch. 889, p. 1645, in effect September 28, 1973, added “Except as otherwise provided in subdivision (f)” at the beginning of subdivisions (c) and (e); substituted “registration” for “calendar” at the beginning of subdivision (c); made nonsubstantive changes in subdivision (d); added “for each registration year of its life” after “permit” at the beginning of subdivision (e); and added subdivision (f). Stats. 1974, Ch. 1330, p. 2886, in effect September 26, 1974, substituted “is required to” for “must” in subdivision (e), and substituted “1976” for “1975” in both places in subdivision (f). Stats. 1975, Ch. 224, p. 605, in effect January 1, 1976, substituted “subdivision (e)” for “subdivision (f)” and “Section 10753.3” for “subdivision (b) of this section” in subdivision (c), delete the former subdivision (e), and relettered the former subdivision (f) as subdivision (e). Stats. 1977, Ch. 821, in effect January 1, 1978, substituted “in this article” for “above”, and deleted “hereinbefore” before and added “in this article” after “provided” in the first sentence of subdivision (a); deleted “Except as otherwise provided in

subdivision (e)," at the beginning of, deleted "of its life" after "registration year", added "the vehicle was" after "year", added "or the year the vehicle was first purchased or assembled by the person applying for original registration in this state," after "vehicle", and added "however," after "provided," in the first sentence, and substituted "Notwithstanding the provisions of this subdivision," for "except that" in the second sentence of subdivision (c); and deleted subdivisions (d) and (e). Stats. 1983, Ch. 323, in effect July 21, 1983, deleted "California suggested base price . . . of a vehicle or its" before "cost price" in subdivision (a); and increased the percentages for determining market value for the second through eighth years and substituted "for the ninth year, 10 percent of such sum; and for the tenth year" for "and for the ninth" after "sum" in subdivision (c). Stats. 1991, Ch. 87, in effect June 30, 1991, operative August 1, 1991, added "or reclassify" after "classify" in subdivision (a); deleted "either" after "with", added a comma after "new vehicle", added "or the year . . . a used vehicle," after "this state," substituted "100" for "85" after "first year," deleted "of this section" after "subdivision (b)", substituted "90" for "85" after "second year," substituted "that" for "such" after "percent of", substituted "80" for "70" after "third year," substituted "that" for "such" after "percent of", substituted "70" for "55" after "fourth year," substituted "that" for "such" after "percent of", substituted "60" for "40" after "fifth year," substituted "that" for "such" after "percent of", substituted "50" for "30" after "sixth year," substituted "that" for "such" after "percent of", substituted "40" for "25" after "seventh year," substituted "that" for "such" after "percent of", substituted "30" for "15" after "eighth year," substituted "that" for "such" after "percent of", substituted "25" for "10" after "ninth year," substituted "that" for "such" after "percent of", added ", 20 percent . . . 11th year" after "10th year", substituted "15" for "5" after "succeeding year," substituted "that" for "such" after "percent of", in the first sentence of subdivision (c); deleted "the provisions of" after "Notwithstanding" in the second sentence of subdivision (c); added subdivision (d). Stats. 2000, Ch. 861 (SB 2084), in effect September 29, 2000, added ", other than a trailer or semitrailer," after "every vehicle" in the first sentence of subdivision (a); substituted "zero" for "no" after the first "class from" and substituted "a number of classes that" for "such number of classes as" after "consisting of" in the first sentence of subdivision (b); and added ", other than a trailer or semitrailer," after "a vehicle" in the first sentence of subdivision (c). Stats. 2001, Ch. 826 (AB 1472), in effect January 1, 2002, added ", as described in subdivision (a) of Section 5014.1 of the Vehicle Code," after "semitrailer" in the first sentence of subdivision (a) and in the first sentence of subdivision (c).

Note.—Section 149.46 of Stats. 1983, Ch. 323, provided the amendments to this section shall be operative for any vehicle whose registration expires on or after September 30, 1983. Secs. 152–154 thereof provided no payment by state to local agencies or school districts because of this act. Sec. 155 thereof provided the provisions of this act shall remain in effect unless or until they are amended or repealed by a later enacted act. Sec. 156 thereof provided the provisions of the act are severable.

Note.—Section 13, Stats. 1991, Ch. 88, clarified that the provisions of Section 10753.2 shall become operative August 1, 1991.

Note.—Section 1 of Stats. 2001, Ch. 826 (AB 1472), provided that:

(a) The Legislature finds and declares that it is necessary to convert California's system of commercial vehicle registration from an unladen weight system to a gross vehicle weight system and to initiate a permanent trailer identification program. Furthermore, it is the intent of the Legislature that this conversion be revenue neutral to all cities and counties and all unladen weight fee system recipients.

(b) For the purposes of this act, "revenue neutrality" requires that all recipients of the fees collected under the system in effect on December 31, 2001, shall receive the same level of funding, with the same degree of flexibility, after the conversion to the system created by this act.

10753.3. Determination of market value; trailer coach. (a) Except as otherwise provided in subdivision (b), the market value of a trailer coach which must be moved under permit, for each registration year of its life, shall be as follows: for the first year, 85 percent of a sum equal to the middle point between the extremes of its class as established in subdivision (b) of Section 10753.2; for the second year, 70 percent of such sum; for the third year, 55 percent of such sum; for the fourth year, 45 percent of such sum; for the fifth year, 40 percent of such sum; for the sixth year, 35 percent of such sum; for the seventh year, 30 percent of such sum; for the eighth year, 25 percent of such sum; for the ninth year, 24 percent of such sum; for the 10th year, 23 percent of such sum; for the 11th year, 22 percent of such sum; for the 12th year, 21 percent of such sum; for the 13th year, 20 percent of such sum; for the 14th year, 19 percent of such sum; for the 15th year, 18 percent of such sum; for the 16th year, 17 percent of such sum; for the 17th year, 16 percent of such sum; for the 18th year and each succeeding year, 15 percent of such sum.

(b) For the purposes of this section, the market value of vehicles which have been previously registered and which, because they are being converted to year-round registration, become subject to registration twice during the

1976 calendar year, shall be deemed to be the same throughout the 1976 calendar year and shall not change until the registration subsequently expires.

History.—Added by Stats. 1974, Ch. 1051, p. 2269, in effect January 1, 1975.

10753.4. Cost price; computation and separate statement; trailer coach. (a) Notwithstanding any other provisions of law, every dealer who sells a trailer coach required to be moved under permit shall state on a certificate attached to the sales contract the cost price upon which the vehicle license fee is computed separately from the cost of accessories or other charges for such trailer coach.

(b) The department shall determine what items shall be included and what items shall not be included in the cost price upon which the vehicle license fee is computed for a trailer coach required to be moved under a permit and the manner of computation of such cost price. The department shall notify every dealer authorized to sell a trailer coach required to be moved under a permit of (1) the requirement that the sales contract state the cost price upon which the vehicle license fee is computed separately from the cost of accessories or other charges for such trailer coaches and (2) the manner in which such cost price is to be determined.

History.—Added by Stats. 1976, Ch. 1043, p. 4663, in effect January 1, 1977.

10753.5. Amount of fee for vehicle of historic value. Notwithstanding any other provisions of this part, the annual amount of the license fee for a vehicle that has been assigned a special identification plate or plates as described in Section 5004 of the Vehicle Code shall be two dollars (\$2).

History.—Added by Stats. 1971, p. 2859, in effect March 4, 1972. Stats. 2002, Ch. 528 (AB 1906), in effect January 1, 2003, added “that has been assigned a special identification plate or plates as” after “for a vehicle” in the first sentence of the first paragraph.

10753.6. Exclusion; cost of modifications for disabled person. (a) Notwithstanding any other provisions of this part, the cost of any modifications to any vehicle which are necessary to enable a disabled person to use or operate such vehicle shall be excluded from the determination of the market value of the vehicle, for purposes of determining the license fee imposed by any provision of this part.

(b) (1) The department, pursuant to the request of a qualified disabled owner of a vehicle which was registered prior to the effective date of this section, shall exclude from the market value of such vehicle the cost of any modification or alteration required to adapt such vehicle to such disabled person’s needs as either a driver or passenger, if such cost was previously included in the determination of the market value of such vehicle.

(2) There shall be no reduction in the amount of vehicle license fees or market value determination pursuant to this section with regard to fees imposed prior to the effective date of this section.

(3) For purposes of paragraph (1), a “qualified disabled owner” means a disabled person who qualifies for a distinguishing license plate or placard

under Section 22511.5 of the Vehicle Code whose vehicle was registered prior to the effective date of this section.

History.—Added by Stats. 1977, Ch. 373, in effect August 24, 1977.

10753.7. Adjustment of fee. (a) Upon the sale or transfer of ownership of a used vehicle currently registered in this state, if any license fee due thereon has already been paid, no adjustment of the current year license fee shall be made.

(b) Any adjustment of vehicle license fees, based upon a redetermination of market value pursuant to subdivision (a) of Section 10753 and modification of vehicle license fee classification pursuant to Section 10753.2, shall occur upon the expiration of current registration and shall be reflected in the fees due for the first renewal of registration following the sale or transfer of ownership of that used vehicle.

History.—Added by Stats. 1991, Ch. 87, in effect June 30, 1991, operative August 1, 1991. Stats. 2003, Ch. 594 (SB 315), in effect January 1, 2004, substituted “Section 10753.2” for “Section 10753.1 or 10753.2” after “classification pursuant to” in the first sentence of subdivision (b).

Note.—Section 13, Stats. 1991, Ch. 88, clarified that the provisions of Section 10753.7 shall become operative August 1, 1991.

10753.8. Surcharge. (a) In addition to the license fee for any vehicle calculated pursuant to Section 10752, a surcharge in an amount equal to 2.2 percent of the fee under Section 10752 shall be added to that fee for any initial or original registration of any vehicle never before registered in this state for which the fees became due on or after August 1, 1991, and before August 1, 1992, and for any renewal of registration with an expiration date on or after August 1, 1991, and before August 1, 1992.

(b) This section shall cease to be operative on the first day of the month following the month in which the Department of Motor Vehicles is notified by the Department of Finance of a final judicial determination by the California Supreme Court or any California court of appeal of either of the following:

(1) The allocation of funds from the Vehicle License Fee Account or the Vehicle License Fee Growth Account of the Local Revenue Fund established during the 1991–92 Regular Session is in violation of Section 15 of Article XI of the California Constitution.

(2) The state is obligated to reimburse counties for costs of providing medical services to medically indigent adults pursuant to Chapters 328 and 1594 of the Statutes of 1982.

History.—Added by Stats. 1991, Ch. 87, in effect June 30, 1991, operative August 1, 1991. Stats. 1991, Ch. 474, in effect October 2, 1991, added “initial or” after “for any”; substituted “of any . . . became due” for “occurring” after “registration” in subdivision (a).

Note.—Section 13, Stats. 1991, Ch. 88, clarified that the provisions of Section 10753.8 shall become operative August 1, 1991.

10753.9. Determination of market value. [Repealed by Stats. 2001, Ch. 744 (SB 1182), in effect January 1, 2002.]

10754. Vehicle license fee; offset. (a) Notwithstanding any other provision of law, the total amount of the vehicle license fee otherwise

required with respect to a vehicle shall be offset in accordance with those provisions set forth below that are operative pursuant to subdivision (b):

(1) (A) For any initial or original registration of any vehicle, never before registered in this state, for which the final due date for the license fee is on or after January 1 of any calendar year for which this paragraph is operative, and for any renewal of registration with an expiration date on or after January 1 of any calendar year for which this paragraph is operative, the department shall offset the total amount of fees otherwise due at the time of registration of that vehicle by an amount equal to 25 percent of the amount computed pursuant to Section 10752 or 10752.1, or Section 18115 of the Health and Safety Code.

(B) Upon proper payment of license fees to the Department of Motor Vehicles, the amount of the offset for each vehicle shall be transferred into the Motor Vehicle License Fee Account in the Transportation Tax Fund, and into the Local Revenue Fund, pursuant to Section 11000 or Section 11000.1, as applicable.

(C) During any period in which insufficient moneys are available to be transferred from the General Fund to fully fund the offsets required by subparagraph (A), within 90 days of a reduction of funding, the department shall reduce the amount of each offset computed pursuant to that subparagraph by multiplying that amount by the ratio of the amount of moneys actually available to be transferred from the General Fund to pay for those offsets to the amount of moneys that is necessary to fully fund those offsets.

(2) (A) For any initial or original registration of any vehicle, never before registered in this state, for which the final due date for the license fee is on or after January 1 of any calendar year for which this paragraph is operative, and for any renewal of registration with an expiration date on or after January 1 of any calendar year for which this paragraph is operative, the department shall offset the total amount of fees otherwise due at the time of registration of that vehicle by an amount equal to 35 percent of the amount computed pursuant to Section 10752 or 10752.1, or Section 18115 of the Health and Safety Code.

(B) Upon proper payment of license fees to the Department of Motor Vehicles, the amount of the offset for each vehicle shall be transferred into the Motor Vehicle License Fee Account in the Transportation Tax Fund, and into the Local Revenue Fund, pursuant to Section 11000 or Section 11000.1, as applicable.

(C) During any period in which insufficient moneys are available to be transferred from the General Fund to fully fund the offsets required by subparagraph (A), within 90 days of a reduction of funding, the department shall reduce the amount of each offset computed pursuant to that subparagraph by multiplying that amount by the ratio of the amount of

moneys actually available to be transferred from the General Fund to pay for those offsets to the amount of moneys that is necessary to fully fund those offsets.

(3) (A) For any initial or original registration of any vehicle, never before registered in this state, for which the final due date for the license fee is on or after January 1 of any calendar year for which this paragraph is operative, and for any renewal of registration with an expiration date on or after January 1 of any calendar year for which this paragraph is operative, the department shall offset the total amount of fees otherwise due at the time of registration of that vehicle by an amount equal to 67½ percent of the amount computed pursuant to Section 10752 or 10752.1, or Section 18115 of the Health and Safety Code.

(B) Upon proper payment of license fees to the Department of Motor Vehicles, the amount of the offset for each vehicle shall be transferred into the Motor Vehicle License Fee Account in the Transportation Tax Fund, and into the Local Revenue Fund, pursuant to Section 11000 or Section 11000.1, as applicable.

(C) During any period in which insufficient moneys are available to be transferred from the General Fund to fully fund the offsets required by subparagraph (A), within 90 days of a reduction in funding, the department shall reduce the amount of each offset computed pursuant to that subparagraph by multiplying that amount by the ratio of the amount of moneys actually available to be transferred from the General Fund to pay for those offsets to the amount of moneys that is necessary to fully fund those offsets.

(D) (i) The Controller shall, no later than August 15, 2006, transfer from the General Fund to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund amounts equal to those moneys that are otherwise required, pursuant to subparagraph (B), to be transferred into that account, that are not so transferred into that account during the 2003–04 fiscal year as a result of the operation of subparagraph (C). The transferred moneys shall be allocated from the account in the manner as otherwise specified by law for the allocation of moneys from that account.

(ii) The Controller, with the approval of the Department of Finance, may advance from the Motor Vehicle License Fee Account in the Transportation Tax Fund to any county or city that entity's share of the vehicle license fee revenues transferred under clause (i), if that entity demonstrates that it will experience a hardship if the advance is not made. For purposes of this clause, those circumstances demonstrating that a county or city will experience a "hardship," include, but are not limited to, the following:

(I) A county or city that has pledged its share of vehicle license fee revenues as security for any indebtedness that, as a result of the delay of the disbursement, will compromise its ability to repay that indebtedness.

(II) A county's or city's share of vehicle license fee revenues, as determined by the Controller, exceeds 37 percent of that entity's general revenue. In the case of a county, the Controller shall make the required calculation of that entity's general revenue based on information derived from the State of California Counties Annual Report for the 2000–01 fiscal year. In the case of a city, the Controller shall make the required calculation based on information derived from the State of California Cities Annual Report for the 2000–01 fiscal year.

(III) A city that is newly incorporated that is entitled to the allocations of vehicle license fee revenues authorized by Section 11005.3.

(iii) Any funds advanced pursuant to a finding of hardship pursuant to clause (ii) shall be disbursed on the 10th day of the calendar month following findings of hardship. The total aggregate amount transferred based on findings of hardship pursuant to clause (ii) may not exceed forty million dollars (\$40,000,000).

(iv) For purposes of Section 15 of Article XI of the California Constitution, the transfers required to be made by this subparagraph shall constitute successor taxes that are otherwise required to be allocated to counties and cities, and as successor taxes, the obligation to make those transfers as required by this subparagraph may not be extinguished nor disregarded in any manner that adversely affects the security of, or the ability of, a county or city to pay the principal and interest on any debts or obligations that were funded or secured by that city's or county's allocated share of motor vehicle license fee revenues.

(b) The offset provisions set forth in subdivision (a) shall be operative as provided by the following:

(1) Paragraph (1) of subdivision (a) shall be operative for vehicle license fees with a final due date in the calendar year beginning on January 1, 1999.

(2) Paragraph (2) of subdivision (a) shall be operative for vehicle license fees with a final due date on or after January 1, 2000, and before July 1, 2001.

(3) Paragraph (3) of subdivision (a) shall be operative for vehicle license fees with a final due date on or after July 1, 2001.

(c) (1) For purposes of this section, “department” means the Department of Motor Vehicles with respect to a vehicle license fee offset for a vehicle subject to registration under the Vehicle Code, and the Department of Housing and Community Development with respect to a vehicle license fee offset for a manufactured home, mobilehome, or commercial coach described in Section 18115 of the Health and Safety Code.

(2) For purposes of this section, the “final due date” for a license fee is the last date upon which that fee may be paid without being delinquent.

History.—Stats. 1947, p. 2018, in effect September 19, 1947, included previously registered nonresident vehicles within the scope of the section. Stats. 1951, p. 155, in effect September 22, 1951, substituted “for” for “by” following “imposed.” Stats. 1973, Ch. 889, p. 1646, in effect September 28, 1973, provided for adjustment for both late and early registration. Stats. 1999, Ch. 74 (AB 1121), in effect July 7, 1999, added paragraph (1.3) to subdivisions (a) and (b), and added “(1.3),” after “unless paragraph” in paragraph (1) and added paragraph 1.3 to subdivision (b). Stats. 2001, Ch. 5 (SB 22), in effect April 19, 2001, operative July 1, 2001, deleted former paragraphs (1.3), (3) and (4), and renumbered former paragraph (5) as paragraph (3) in subdivision (a); substituted “the calendar year beginning on January 1, 1999” for “each calendar year beginning on or after January 1, 1999, unless paragraph (1.3), (2), (3), (4) or (5) of subdivision (a)

becomes operative. In that event, paragraph (1) of subdivision (a) will be inoperative only for that period during which one of those paragraphs is operative." after "due date" in the first sentence of paragraph (1), renumbered former paragraph (1.3) as paragraph (2), substituted "(2)" for "(1.3)" after "Paragraph", and substituted "on or after January 1, 2000, and before July 1, 2001" for "in the calendar year beginning on January 1, 2000" after "due date" in the first sentence therein, deleted former paragraphs (2), (3), (4), (5), (6), (7), (8), (9) and (10), renumbered former paragraph (11) as paragraph (3) and substituted "(3)" for "(5)" after "Paragraph", added "on or after July 1, 2001," after "due date", deleted the balance of the first sentence and deleted the balance of the paragraph therein, and deleted former paragraphs (12), (13), (14), and (15) of subdivision (b); and added "with respect to . . . the Vehicle Code," after "Motor Vehicles" and added "with respect to . . . Safety Code." after "Development" in the first sentence of paragraph (1) and deleted former paragraphs (3), (4), and (5) of subdivision (c). Stats. 2003, Ch. 231 (AB 1768), in effect January 1, 2004, added subparagraph (D) to paragraph (3) of subdivision (a).

Note.—Section 5 of Stats. 2001, Ch. 5 (SB 22), provided that this act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect. However, this act shall become operative on July 1, 2001, except that the additional vehicle license fee offset established by Section 10754.2 of the Revenue and Taxation Code, as amended by Section 2 of Chapter 107 of the Statutes of 2000, shall continue to be operative on or after July 1, 2001, with respect to those vehicle license fees with a final due date before July 1, 2001.

10754.1. International Registration Program. For purposes of applying paragraph (1) of subdivision (b) of Section 10754, the vehicle license fees, due in 1998 on or before December 31 of that year for a vehicle subject to the International Registration Program as described in Section 8052 of the Vehicle Code, are deemed to have had a final due date in the 1999 calendar year. It is the intent of the Legislature that this section be implemented to apply the 25 percent offset specified in paragraph (1) of subdivision (a) of Section 10754 to the vehicle license fees described in the preceding sentence. The department shall apply the amount of each vehicle license fee reduction resulting from this section against the amount of vehicle license fees due and payable on the part of the relevant registrant in 1999.

History.—Added by Stats. 1999, Ch. 76 (SB 688), in effect July 7, 1999.

10754.2. Revenue forecast; exclusion. [Repealed by Stats. 2001, Ch. 5 (SB 22), in effect April 19, 2001, operative July 1, 2001.]

10754.2. Vehicle license fee; additional offset. [Repealed by Stats. 2001, Ch. 5 (SB 22), in effect April 19, 2001, operative July 1, 2001.]

10755. Registration year less than or more than 12 months. When- ever, by reason of the assignment or reassignment of an expiration date by the Director of Motor Vehicles, the registration year for the vehicle is less than, or more than, 12 months, the fee for the vehicle shall be decreased or increased by one-twelfth of the annual fee for each month of such period less than, or in excess of, 12 months.

History.—Stats. 1947, p. 2018, in effect September 19, 1947, included previously registered nonresident vehicles within the scope of the section. Stats. 1951, p. 155, in effect September 22, 1951, substituted "for" for "by" following "imposed." Stats. 1973, Ch. 889, p. 1646, in effect September 28, 1973, provided for adjustment for both late and early registration.

10756. Exempt vehicles; change of ownership; fee. If any vehicle which is exempt under Section 10781 or 10782 ceases to be so exempt by reason of change of ownership, the application shall be deemed an application for original registration for the purposes of determining the expiration date of the registration and subsequent renewals thereof.

History.—Stats. 1963, p. 3853, in effect September 20, 1963, amended section to include § 10782 exemptions. Stats. 1973, Ch. 889, p. 1646, in effect September 28, 1973, operative December 1, 1974, deleted "after the beginning of any registration year" after "so exempt", and substituted the language beginning with "application" for a former provision relating to a reduction in fees. Stats. 1974, Ch. 1330, p. 2898, in effect September 26, 1974, postponed the operative date of Stats. 1973, Ch. 889, p. 1646, to December 1, 1975.

2216.2
2004—1

Property Taxes Law Guide
VEHICLE LICENSE FEE

10757. **Transfer of ownership; additional fee.** (a) No additional license fee shall be imposed under this part upon any vehicle upon the transfer of ownership of the vehicle, except as provided under Section 9563 of the Vehicle Code, if any license fee due thereon has already been paid for the year in which the transfer of ownership occurs.

(b) In the event that additional fees are required on a vehicle due to a prior departmental error, no penalty shall be assessed against the application for the transfer of registration when the required additional fees are paid.

History.—Stats. 1957, p. 2467, in effect September 11, 1957, added the subdivision letters and subdivision (b). Stats. 1971, p. 2681, in effect March 4, 1972, added “except as provided in Section 9563 of the Vehicle Code” after “vehicle,” in subdivision (a).

10758. Fee in lieu of ad valorem taxes. The license fee imposed under this part is in lieu of all taxes according to value levied for state or local purposes on vehicles of a type subject to registration under the Vehicle Code whether or not the vehicles are registered under the Vehicle Code.

“Vehicle of a type subject to registration under the Vehicle Code,” as used in this section, includes, but is not limited to, (a) any motor vehicle in the inventory of vehicles held for sale by a manufacturer, remanufacturer, distributor, or dealer in the course of his or her business, (b) any unoccupied trailer coach in the inventory of trailer coaches held for sale by a manufacturer, remanufacturer, distributor, or dealer in the course of his or her business, or (c) any vehicle described in Section 5004 of the Vehicle Code, not used in a trade, profession, or business, whether or not the vehicle has been issued special identification plates.

History.—Stats. 1943, p. 2171, in effect August 4, 1943, reworded latter portion of Section. Stats. 1964, p. 190 (First Extra Session), in effect May 4, 1964, added the second paragraph and provided, in Sec. 2 of the act that, “The amendments which are made to Section 10758 of the Revenue and Taxation Code by Section 1 of this act do not constitute a change in, but are declaratory of, the preexisting law.” Stats. 1971, p. 2859, in effect March 4, 1972, added subdivision (c) in the second paragraph. Stats. 1983, Ch. 1286, in effect January 1, 1984, added “remanufacturer” after the first and second “manufacturer”, added “or her” after the first and second “his”, and substituted “the” for “such” after “or not” in the second paragraph.

Relocatable offices.—Mobile structures designed and built for human occupancy and having characteristics and uses similar to those of mobile homes are trailer coaches subject to registration under the Vehicle Code, and their license fees are in lieu of all taxes according to value, including ad valorem personal property taxes levied for local purposes. *Mobilelease Corp. v. Orange County*, 42 Cal.App.3d 461.

Construction.—Since the in lieu provision of this section applies only to vehicles subject to registration and not subject to section 994, it cannot be construed as authorization for refund of all fees collected without regard to the claim limitations of Vehicle Code, sections 42231 and 42232. *Piazza Properties, Ltd. v. Department of Motor Vehicles*, 71 Cal.App.3d 622.

10759. Fee to be in even dollars. In computing any fee, offset, or penalty imposed by this chapter, whether on a proration or otherwise, a fraction of a dollar is disregarded, unless it equals or exceeds fifty cents (\$0.50), in which case it is treated as one full dollar (\$1). Computation of any penalty shall be made from the fee after the same has been computed as provided in this section.

Any fee, offset, or penalty in an amount of forty-nine cents (\$0.49) or less shall be deemed to be one dollar (\$1).

History.—Added by Stats. 1947, p. 3783 (First Extra Session), in effect January 1, 1948. Stats. 1948, p. 132, in effect April 21, 1948, amended first paragraph by substituting “any” for “the” preceding “fee” and adding sentence providing for computation of penalty, added “or penalty” following “fee” in both paragraphs, and amended second paragraph by substituting “of fifty cents (\$0.50) or less” for “less than fifty cents (\$0.50)” and deleting sentence providing the effective date. Stats. 1992, Ch. 1241, in effect January 1, 1993, added “equals or” after “unless it” in the first sentence of the first paragraph; and substituted “forty-nine cents (\$0.49)” for “fifty cents (\$0.50)” after “amount of” in the second paragraph. Stats. 1998, Ch. 322 (AB 2797), in effect August 20, 1998, added “, offset,” after “fee” twice, in the first sentence of the first and second paragraphs.

10759.5. Lapsed registration. [Repealed by Stats. 1984, Ch. 1760, in effect October 1, 1984.]

10759.5. Alternative fuels; exemption. (a) For purposes of determining the vehicle license fee imposed by this part, there are exempted from the determination of market value, the incremental costs of new light-duty motor vehicles propelled by alternative fuels, and certified by the State Air Resources Board as producing emissions that meet the emission standard for ultra-low-emission vehicles or lower as defined by the board. This exemption shall apply to the subsequent payments of the vehicle license fee.

(b) For purposes of this section, “incremental cost” means the amount determined by the State Energy Resources Conservation and Development Commission as the reasonable difference between the cost of the motor vehicle defined in subdivision (a) and the cost of a comparable gasoline or diesel fuel vehicle. This determination shall constitute the maximum incremental cost for purposes of the exemption in subdivision (a), and may be reduced by the actual sales price of the vehicle. The actual incremental cost shall be stated in the contract for sale or lease with the purchaser, and shall be reported to the commission quarterly.

(c) This section shall become operative on January 1, 1999, and shall remain in effect only until January 1, 2009, and as of that date is repealed.

History.—Added by Stats. 888 (SB 1782) in effect September 28, 1998, operative January 1, 1999. Stats. 2002, Ch. 566 (AB 2461), in effect September 15, 2002, substituted “January 1, 2009” for “January 1, 2003” after “effect only until” in the first sentence of subdivision (c).

Note.—Section 1 of Stats. 2002, Ch. 566 (AB 2461) provided that the Legislature finds and declares:

(a) There is a wide disparity on fees levied on owners of vehicles operated on alternative fuels when compared to those same taxes and fees levied on owners of comparable conventional fuel vehicles.

(b) In some cases, the fees on alternative fuel vehicles are more than twice as much as those for conventional fuel vehicles.

(c) The disparity in fees exists even though the alternative fuel vehicle may look identical to the conventional fuel vehicle and provide the same or lesser utility to the individual owner.

(d) The existing California vehicle license fee on motor vehicles that operate on alternative fuels is higher than for comparable conventional fuel vehicles because alternative fuel vehicles generally have higher sales prices. The higher sales prices are largely due to the fact that these vehicles are produced in extremely low volumes (many assembled by hand), such that their production has not achieved the economies of scale that would significantly reduce their cost; and they use many new advanced materials and technologies that also have not yet achieved economies of scale, and therefore have a temporarily greater cost to consumers.

(e) The higher sales prices for these alternative fuel vehicles are expected to be a short-term, temporary situation because prices are expected to decline significantly to competitive levels as volume increases. If this does not occur, these vehicles may never be competitive, and automakers would likely withdraw them from the market. The current vehicle license fee mechanism does not reflect these temporary, short-term pricing situations. Instead they intrinsically, but incorrectly, assume that these short-term higher prices reflect true long-term market value of the vehicles.

(f) Alternative fuel vehicles provide benefits to California citizens that are external to, or not reflected in, their cost to the purchaser. These benefits include: increasing our national independence from foreign energy sources; providing more transportation choices for consumers and businesses, thus reducing our economic vulnerability to sudden fuel price increases caused by external or internal events; reducing air pollution from mobile sources; reducing future pressures for additional environmental controls on existing and new businesses and industries in California; and creating new advanced transportation technology jobs and industries in California.

(g) It is the public policy of the State of California, the federal government, and many local governments, to encourage the development and use of alternative fuel vehicles, for the purpose of providing the benefits described above to all California citizens.

(h) Existing vehicle license fee structures, as they relate to the determination of market value of alternative fuel vehicles, do not reflect the critical short-term pricing issues described above, nor the external benefits that accrue to all California citizens. Additionally, these existing fees act as a significant disincentive to potential purchasers of alternative fuel vehicles, and as such, are contrary to existing public policies at all levels of government.

(i) It is the intent of the Legislature to equalize the vehicle license fee between alternative fuel vehicles and conventional fuel vehicles for a period of four years, beginning January 1, 1999, and ending December 31, 2008. During this time period it is the intent of the Legislature that the incremental or differential cost between an alternative fuel vehicle and a comparable conventional fuel vehicle, as determined by the State Energy Resources Conservation and Development Commission, should be exempt from the vehicle license fee.

(j) To ensure that the alternative fuel vehicles subject to these provisions provide significant reduction in air pollution, eligible vehicles must meet, at a minimum, the standard for ultra-low-emission vehicles as determined by the State Air Resources Board.

10760. **Waiver of delinquency.** [Repealed by Stats. 1984, Ch. 1760, in effect October 1, 1984.]

10760. **Reinstatement.** (a) Notwithstanding any other provision of law, a mobilehome sold new on or before June 30, 1980, on which the license fee required to be paid under this part has been delinquent for 120 days or more, shall not be subject to local property taxation, if a request for reinstatement to the vehicle license fee under this part is filed with the Department of Housing and Community Development with a postmark dated no later than December 31, 1986, showing verification by the county tax collector that payment of property taxes on the mobilehome is current, as of the date of filing.

(b) Applications for filing for reinstatement pursuant to this section shall be provided by the Department of Housing and Community Development through its offices and offices of county assessors and county tax collectors.

(c) A mobilehome shall not qualify for reinstatement to the license fee under this part unless payment of property taxes on the mobilehome is current. Reinstatement applications shall include a provision for county tax collectors to verify that the payment of property taxes is current. For purposes of this section, mobilehome owners who submit reinstatement applications to the tax collector for verification prior to September 1st of the fiscal year for which property taxes on the mobilehome will be due and whose verified applications are filed with the department with a postmark date no later than 30 days thereafter are considered current on the payment of property taxes if the payment of property taxes on the mobilehome for prior fiscal years has been satisfied.

(d) A mobilehome, on which the license fee required to be paid under this part has been delinquent for 120 days or more, which was not actually enrolled on the local property tax roll prior to October 1, 1984, shall not be subject to local property taxation as a condition of reinstatement to the license fee under this part. Tax collectors shall verify on the reinstatement application that such a mobilehome was not enrolled prior to October 1, 1984. Any license fee and penalty which would otherwise be due under this part during the period of delinquency shall be paid to the Department of Housing and Community Development as a condition of reinstatement to the license fee.

(e) Any used mobilehome, the sale of which has not been subject to sales or use tax pursuant to Section 6379 or Section 18116.5 of the Health and Safety Code, shall not qualify for reinstatement to the license fee under this part unless, in addition to the other requirements of this section, the full sales or use tax liability on the last sale, which would have been owed if the mobilehome had not been subject to property taxation, is paid.

(f) The Department of Housing and Community Development, upon receiving the verified reinstatement application and determining that the requirements of this section have been complied with, shall reinstate the mobilehome to the license fee, establish a license fee renewal date for the mobilehome, and notify the county tax assessor to remove the mobilehome from the local property tax roll.

History.—Added by Stats. 1984, Ch. 1760, in effect October 1, 1984. Stats. 1985, Ch. 397, effective July 30, 1985, added subdivision (d), and relettered former subdivisions (d) and (e) as subdivisions (e) and (f), respectively.

Article 1.5. Trailer Coaches

- § 10766. “Trailer coach” defined.
- § 10767. Application of this part.
- § 10768. Sections not applicable.
- § 10769. Delinquency.
- § 10770. Penalty for delinquency.

10766. “Trailer coach” defined. For the purpose of this article, “trailer coach” shall have the same meaning that is provided in the Vehicle Code.

History.—Added by Stats. 1955, p. 2982, in effect September 7, 1955.

10767. Application of this part. The provisions of this part shall apply to trailer coaches except as otherwise provided in this article.

History.—Added by Stats. 1955, p. 2982, in effect September 7, 1955.

10768. Sections not applicable. Sections 10853, 10854, 10855, and 10856 of this part do not apply to the license fee imposed with respect to trailer coaches.

History.—Added by Stats. 1955, p. 2982, in effect September 7, 1955.

10769. Delinquency. Whenever any trailer coach is in this State without the license fee having first been paid as required by Section 10851 of this part, the fee is delinquent.

History.—Added by Stats. 1955, p. 2982, in effect September 7, 1955.

10770. Penalty for delinquency. (a) If the fee for an original registration is not paid within 20 days after it becomes delinquent, a penalty equal to 20 percent of the fee shall be added and collected with the fee.

(b) A penalty of 20 percent of the license fee shall be added on any application for original or renewal of year-round or annual registration made later than midnight of the date of expiration or on or after the date penalties become due. This penalty shall be computed after the vehicle license fee has been combined with the registration and weight fees as provided in Sections 9250 and 9400 of the Vehicle Code.

(c) Notwithstanding subdivision (a), any penalty that became due prior to January 1, 1978, shall be computed at the rate of penalty which was then in effect.

History.—Added by Stats. 1973, Ch. 889, p. 1647, in effect September 28, 1973. Stats. 1974, Ch. 1330, p. 2888, in effect September 26, 1974, operative March 8, 1976, deleted the former second sentence of subdivision (b); substituted “1976” for “1975” in subdivision (c); added subdivision (d); and substituted “March 8, 1976” for “March 10, 1975” in the first sentence of the fifth paragraph, and added the balance thereof after “on March 8, 1976”. Stats. 1978, Ch. 818, in effect January 1, 1979, substituted “20 percent” for “50 percent” in the first sentences of subdivisions (a) and (b); substituted “January 1, 1978” for “March 8, 1976” in subdivision (d); and deleted the former fifth paragraph. Stats. 1998, Ch. 601 (SB 1250), in effect January 1, 1999, substituted “and collected with the fee” for “thereto and to be collected therewith” after “added” in the first sentence of subdivision (a); substituted “This” for “Such” before “penalty” and deleted “, 9253,” after

“9250” in the second sentence of subdivision (b); deleted former subdivision (c) which provided for calculation of penalties for the 1976 registration year; and relettered former subdivision (d) as subdivision (c) and deleted “of this section” after “subdivision (a)”, and substituted “that” for “which” after “penalty” therein.

Article 2. Exemptions

- § 10781. Vehicles owned by United States, foreign governments, state, etc.
- § 10781.1. Vehicles owned by Indian tribes.
- § 10782. Vehicles leased by state; persons engaged in transportation.
- § 10783. Vehicles owned by disabled veterans.
- § 10784. Mobilehomes sold and installed on foundation systems.
- § 10785. New mobilehomes sold and installed for occupancy.
- § 10786. Fire-fighting vehicles owned by colleges.
- § 10787. Vehicles operated by the Civil Air Patrol.
- § 10788. Mobilehomes owned by disabled veterans.
- § 10789. Vehicles purchased with federal funds for specialized transportation.

10781. Vehicles owned by United States, foreign governments, state, etc. The license fee imposed by this part does not apply to any vehicle owned by the United States, by any foreign government, by a consul or other official representative of any foreign government, by the state, by any political subdivision of the state, or by any city, city and county, county, district, public corporation, or by a public fire department organized as a nonprofit corporation and used exclusively for fire fighting purposes or exclusively as an ambulance.

History.—Stats. 1949, p. 2274, in effect October 1, 1949, added clause relating to vehicles used for fire fighting purposes. Stats. 1967, p. 3366, in effect November 8, 1967, added “or exclusively as an ambulance”.

10781.1. Vehicles owned by Indian tribes. The license fee imposed by this part does not apply to any vehicle that is owned by a federally recognized Indian tribe, if the vehicle is used exclusively within the boundaries of lands under the jurisdiction of that Indian tribe, including the incidental use of that vehicle on highways within those boundaries.

History.—Added by Stats. 1999, Ch. 911 (AB 1474), in effect January 1, 2000.

10782. Vehicles leased by state; persons engaged in transportation. (a) The license fee imposed by this part does not apply to any vehicle operated by the state, or by any county, city and county, city, district, or political subdivision of the state, or the United States, as a lessee under a lease, lease-sale, or rental-purchase agreement which grants possession of the vehicle to the lessee for a period of 30 consecutive days or more.

(b) The license fee imposed by this part does not apply to any privately owned schoolbus, as defined in Section 545 of the Vehicle Code, which is either:

(1) Owned by a private nonprofit educational organization and operated in accordance with the rules and regulations of the Department of Education exclusively in transporting school pupils, or school pupils and employees, of such private nonprofit educational organization, or

(2) Operated in accordance with the rules and regulations of the Department of Education exclusively in transporting school pupils, or school pupils and employees, of any public school or private nonprofit educational

organization pursuant to a contract between a public school district or nonprofit educational organization and the owner or operator of the schoolbus.

This subdivision shall not, however, be applicable to any schoolbus which is operated pursuant to any contract which requires the public school district or nonprofit educational organization to pay any amount representing the costs of registration and weight fees unless and until the contract is amended to require only the payment of an amount representing the fee required by this section.

History.—Stats. 1963, p. 3852, in effect September 20, 1963, amended and added “or the United States,” and changed “12 months or more” to read “30 consecutive days.” Stats. 1969, p. 2954, in effect November 10, 1969, added “subdivision” between “This” and “does” in the first sentence of the second paragraph of subdivision (a) and added subdivision (b). Stats. 1973, Ch. 411, p. 874, in effect September 10, 1973, numbered the paragraphs in subdivision (b) and added subdivision (b)(1). Stats. 1974, Ch. 1204, p. 2607, in effect September 23, 1974, deleted the former second paragraph of subdivision (a), thereby extending the exemption therein to vehicles leased, under agreements made after February 5, 1940, by such entities for the transportation of persons for hire, compensation, or profit.

Text of section operative until July 1, 1999.

10783. Vehicles owned by disabled veterans. (a) The license fee imposed by this part does not apply to a passenger vehicle, a motorcycle, or a commercial vehicle of less than 6,001 pounds unladen weight, unless the vehicle is used for transportation for hire, compensation, or profit, if the vehicle is owned by any disabled veteran, as described in Section 22511.9 of the Vehicle Code, or any veteran who is a Congressional Medal of Honor recipient.

(b) The exemption granted by this section shall extend to not more than one vehicle owned by the veteran. The Department of Motor Vehicles may require any disabled veteran applying for an exemption under this section to submit a certificate signed by a physician or surgeon substantiating the disability. The Department of Motor Vehicles may require any person applying for an exemption under this section by reason of receiving the Congressional Medal of Honor to submit satisfactory proof that he or she is a Congressional Medal of Honor recipient.

(c) This section shall remain in effect only until July 1, 1999, and as of that date is repealed, unless a later enacted statute, that is enacted before July 1, 1999, deletes or extends that date.

History.—Added by Stats. 1949, p. 2234, in effect October 1, 1949. Stats. 1951, p. 2339, in effect September 22, 1951, added “other than a commercial vehicle,” deleted “paraplegic” preceding “veteran,” substituted clause commencing with “who” for former clause limiting exemption to vehicle given paraplegic veteran by United States Government, and added last paragraph. Stats. 1955, p. 2463, in effect September 7, 1955, added reference to permanently blind veteran. Stats. 1961, p. 1017, in effect March 31, 1961, substituted “6202” for “9183.” Stats. 1969, p. 1736, in effect November 10, 1969, added “two or more limbs, or one eye and any limb” after “. . . the use of,” in the first sentence of the first paragraph. Stats. 1974, Ch. 922, p. 1936, in effect January 1, 1975, substituted “of the following vehicles, which are not used for transportation for hire, compensation, or profit, when” for “vehicle, other than a commercial vehicle,” substituted “any” for “a” after “owned by,” substituted “Section 19153 of the Welfare and Institutions Code” for “Section 6202 of the Education Code”, and substituted “armed forces” for “military, naval, or air forces” in the first sentence of the first paragraph, and added “:”, and subdivisions (a), (b), and (c) at the end thereof. Stats. 1979, Ch. 612, in effect January 1, 1980, added “whose disability has been rated, by the United States Veterans’ Administration or the military service from which such veteran was discharged, at 100 percent due to a diagnosed disease or disorder which substantially impairs or interferes with mobility, or who is so severely disabled as to be unable to move without the aid of an assistant device, or” after “veteran” in the first sentence of the first paragraph, and added the second sentence of the second paragraph. Stats. 1982, Ch. 235, in effect January 1, 1983, added “, and any veteran who is a Congressional Medal of Honor recipient who was born in the state or who either resided in the state at the time of entry into military service or has been a resident continuously since January 1, 1977” after “United States” in the first sentence of the first paragraph. Stats. 1983, Ch. 415, in effect January 1, 1984, substituted “a passenger vehicle . . . vehicle is” for “any of

the following vehicles, which are not" after "apply to", substituted "if the vehicle is" for "when" after "profit", substituted "the" for "such" after "from which", and deleted the balance of the first sentence pertaining to residency and vehicle type after "recipient" in the first paragraph; and substituted "the" for "any such" before "veteran" in the first sentence, and added "any disabled veteran to submit" after "require" in the second sentence of the second paragraph. Stats. 1985, Ch. 1041, effective January 1, 1986, substituted "disabled veteran, as described in Section 22511.9 of the Vehicle Code, or" for "veteran whose disability has been rated by the United States Veterans' Administration or the military service from which the veteran was discharged, at 100 percent due to . . . or who is so severely disabled . . . as a result of injury or disease suffered while on active service with the armed forces of the United States, and" after "any" in the first sentence of the first paragraph; and added "applying for an exemption under this section" after "disabled veteran" in the second sentence, and added the third sentence to the second paragraph. Stats. 1998, Ch. 563 (SB 1492), in effect January 1, 1999, added the subdivision letters and added subdivision (c).

Note.—Section 3 of Stats. 1979, Ch. 612, provided no payment by state to local governments because of this act.

Text of section operative July 1, 1999.

10783. Vehicles owned by disabled veterans. (a) The license fee imposed by this part does not apply to a passenger vehicle, a motorcycle, or a commercial vehicle of less than 8,001 pounds unladen weight, unless the vehicle is used for transportation for hire, compensation, or profit, if the vehicle is owned by any disabled veteran, as defined in Section 295.7 of the Vehicle Code, any former American prisoner of war, or any veteran who is a Congressional Medal of Honor recipient.

(b) The exemption granted by subdivision (a) shall extend to not more than one vehicle owned by the veteran, or former American prisoner of war, and is applicable to the same vehicle as described in subdivision (b) of Section 9105 of the Vehicle Code.

(c) (1) The Department of Motor Vehicles may require any disabled veteran applying for an exemption under this section to submit a certificate signed by a physician or surgeon substantiating the disability.

(2) The Department of Motor Vehicles may require any person applying for an exemption under this section for either of the following reasons to do any of the following:

(A) By reason of the person's status as a former American prisoner of war, to show, by satisfactory proof, his or her former prisoner-of-war status.

(B) By reason of the person's status of receiving the Congressional Medal of Honor, to show, by satisfactory proof, that he or she is a Congressional Medal of Honor recipient.

(d) This section shall become operative on July 1, 1999.

History.—Added by Stats. 1998, Ch. 563 (SB 1462), in effect January 1, 1999, operative July 1, 1999.

10784. Mobilehomes sold and installed on foundation systems. (a) The license fee imposed by this part does not apply to any mobilehome as defined in Sections 18008 and 18211 of the Health and Safety Code which is sold and installed on a foundation system, pursuant to Section 18551 of the Health and Safety Code.

(b) Any mobilehome exempted from the provisions of this part shall be subject to local property taxation.

History.—Added by Stats. 1979, Ch. 1160, in effect January 1, 1979. Stats. 1980, Ch. 285, in effect June 30, 1980, operative July 1, 1980, deleted "for occupancy as a residence" after "Code" in subdivision (a).

Note.—Section 22 of Stats. 1980, Ch. 285, provided no payment by state to local governments because of this act.

10785. New mobilehomes sold and installed for occupancy. (a) The license fee imposed by this part shall not apply to any new mobilehome as defined in Sections 18008 and 18211 of the Health and Safety Code, which is sold and installed for occupancy, in accordance with Section 18613 of the Health and Safety Code, on or after July 1, 1980.

(b) Any new mobilehome exempted from the provisions of this part shall be subject to local property taxation.

History.—Added by Stats. 1979, Ch. 1180, in effect January 1, 1980. Stats. 1980, Ch. 285, in effect June 30, 1980, operative July 1, 1980, deleted “as a residence” after “occupancy” in subdivision (a).

Note.—Section 22 of Stats. 1980, Ch. 285, provided no payment by state to local governments because of this act.

10786. Fire-fighting vehicles owned by colleges. The license fee imposed by this part does not apply to any vehicle owned by an educational institution of collegiate grade, not conducted for profit, having an enrollment of 5,000 students or more and having an acreage of 5,000 acres or more, if such vehicle is used for fire-fighting purposes within the limits of the acreage of such institution, and is operated principally on roads owned by such institution.

History.—Added by Stats. 1949, p. 2279, in effect October 1, 1949. Stats. 1951, p. 2613, in effect September 22, 1951, substituted “5,000” for “seven thousand,” substituted “an acreage of 5,000” for “a campus area of ten thousand,” deleted “exclusively” after “vehicle is used” and substituted “acreage” for “campus area.”

10787. Vehicles operated by the Civil Air Patrol. The license fee imposed by this part does not apply to any vehicle operated by the Civil Air Patrol, when the vehicle has been transferred to the Civil Air Patrol by the United States Government, or any agency thereof, if by federal regulation or directive the use of such vehicle is restricted to defined activities of the Civil Air Patrol, and if by federal regulation or directive the vehicle must be returned to the United States Government when no longer required or suited for use by the Civil Air Patrol.

History.—Added by Stats. 1959, p. 594, in effect January 30, 1959.

10788. Mobilehomes owned by disabled veterans. (a) With respect to mobilehomes or trailer coaches subject to the provisions of this part, which are owned by, and which constitute the principal place of residence of, a disabled veteran who is blind in both eyes, has lost the use of two or more limbs, or is totally disabled as a result of injury or disease incurred in military service or the unmarried surviving spouse of such a veteran:

(1) The first twenty thousand dollars (\$20,000) of the market value of the mobilehome or trailer coach shall be exempt from the license fee imposed by this part, or

(2) In the case of a disabled veteran or the unmarried surviving spouse whose household income, as defined in Section 20504, does not exceed the amounts specified in Section 20585, the first thirty thousand dollars (\$30,000) of the market value of the mobilehome or trailer coach, shall be exempt from the license fee imposed by this part.

(b) For purposes of this section, “veteran” is defined as specified in subdivision (o) of Section 3 of Article XIII of the Constitution.

(c) No veteran shall be eligible for this exemption unless he or she was a resident of California at the time of his or her entry into military or naval service, or unless he or she was a resident of the state on November 7, 1972, if he or she is blind or has lost the use of two or more limbs, or on January 1, 1975, if he or she was totally disabled.

(d) As used in this section “mobile home” and “trailer coach” which are owned by the veteran includes:

(1) Property owned by the veteran with the veteran’s spouse as a joint tenancy, tenancy in common or as community property;

(2) Property owned by the veteran or the veteran’s spouse as separate property;

(3) Property owned with one or more other persons to the extent of the interest owned by the veteran, the veteran’s spouse, or both the veteran and the veteran’s spouse;

(4) Property owned by the veteran’s unmarried surviving spouse with one or more other persons to the extent of the interest owned by the veteran’s unmarried surviving spouse.

(e) For purposes of this section, “blind in both eyes” means having a visual acuity of $\frac{5}{200}$ or less; “losing the use of a limb” means that the limb has been amputated or its use has been lost by reason of ankylosis, progressive muscular dystrophies, or paralysis; and “totally disabled” means that the United States Veterans Administration or the military service from which such veteran was discharged has rated the disability at 100 percent or has rated the disability compensation at 100 percent by reason of being unable to secure or follow a substantially gainful occupation.

History.—Added by Stats. 1980, Ch. 371, in effect July 9, 1980.

10789. Vehicles purchased with federal funds for specialized transportation. The license fee imposed by this part does not apply to the following:

(a) Any vehicle purchased with federal funds under the authority of paragraph (2) of subsection (b) of Section 1612 of Title 49 of the United States Code or Chapter 35 (commencing with Section 3000) of Title 42 of the United States Code for the purpose of providing specialized transportation services to senior citizens and handicapped persons by public and private nonprofit operators of specialized transportation services, including a consolidated transportation service agency designated pursuant to Section 15975 of the Government Code.

(b) Any vehicle operated solely for the purpose of providing specialized transportation services to senior citizens and persons with disabilities, by a nonprofit, public benefit consolidated transportation service agency designated under Section 15975 of the Government Code. The exemption provided by this subdivision shall not apply to more than 600 vehicles at any given time.

History.—Added by Stats. 1987, Ch. 673, in effect January 1, 1988. Stats. 1997, Ch. 667 (SB 812), in effect January 1, 1998, added “the following:” after “apply to” in the first sentence, created new subdivision (a) with the balance of the former first sentence commencing with “Any vehicle” and added subdivision (b).

Note.—Section 9 of Stats. 1987, Ch. 673 provided that no reimbursement is required by this act.

CHAPTER 3. COLLECTIONS AND REFUNDS

- Article 1. Payments. §§ 10851–10858.
2. Seizure and sale. §§ 10876–10879.
3. Refunds. §§ 10901–10902.
4. Petitions for reinstatement of mobilehomes. §§ 10910–10917. [Repealed.]

Article 1. Payments

- § 10851. Time of payment. [Repealed.]
§ 10851. Time of payment. [Repealed.]
§ 10851. Time of payment.
§ 10852. Collection of fee; receipt.
§ 10853. Delinquency.
§ 10854. Penalty for delinquency. [Repealed.]
§ 10854. Penalty for delinquency. [Repealed.]
§ 10854. Penalty for delinquency.
§ 10854.1. Effect of unpaid check.
§ 10855. Nonoperation, affidavit of. [Repealed.]
§ 10856. Collection of current fee; penalty.
§ 10857. Repossession, effect on penalty.
§ 10858. Waiver of penalties to transferee.

10851. Time of payment. [Repealed by Stats. 1973, Ch. 889, p. 1647, in effect September 28, 1973, operative March 8, 1976.]

10851. Time of payment. [Repealed by Stats. 1974, Ch. 1330, p. 2889, in effect September 26, 1974, operative July 1, 1977.]

10851. Time of payment. Except as otherwise provided, the vehicle license fee is due and payable to the department each year on or before the expiration date assigned by the director. The fee shall be paid to the department at the time provided in the Vehicle Code for the registration or renewal of registration of the vehicle.

This section shall become operative on July 1, 1977, unless a later enacted statute, which is chaptered before July 1, 1977, deletes or extends such date.

History.—Added by Stats. 1974, Ch. 1330, p. 2889, in effect September 26, 1974, operative July 1, 1977.

10852. Collection of fee; receipt. The department shall collect the license fee and shall give to each person paying the license fee a receipt which shall sufficiently designate and identify the vehicle upon which the fee is paid.

10853. Delinquency. Whenever any vehicle is operated upon any highway of this State without the license fee having first been paid as required by this part, the fee is delinquent.

10854. Penalty for delinquency. [Repealed by Stats. 1973, Ch. 889, p. 1648, in effect September 28, 1973, operative March 8, 1976.]

10854. Penalty for delinquency. [Repealed by Stats. 1985, Ch. 1126, effective September 28, 1985, operative April 1, 1986.]

10854. Penalty for delinquency. Penalties for failure to pay license fees before delinquency are as specified in Section 9554 of the Vehicle Code.

History.—Added by Stats. 1985, Ch. 1126, effective September 28, 1985, operative April 1, 1986.

10854.1. Effect of unpaid check. If a check in payment of a fee or penalty is not paid by the bank on which it is drawn on its first presentation, the person tendering the check remains liable for the payment of the fee, or fee and penalty, as if he had not tendered the check. The department in its discretion may redeposit a check in payment of fee or fee and penalty not more than once without assessing additional penalties.

History.—Added by Stats. 1953, p. 1757, in effect September 9, 1953. Stats. 1969, p. 544, in effect November 10, 1969, substituted “not more than once” for “the second time” in the second sentence.

10855. Nonoperation, affidavit of. [Repealed by Stats. 1990, Ch. 1352, in effect September 27, 1990, operative July 1, 1990.]

10856. Collection of current fee; penalty. (a) Except as provided in Section 9553 of the Vehicle Code, upon receipt of the application for renewal of registration, the department shall collect the required fee for the current registration year. No penalty shall be imposed if the department receives the application prior to or on the date the vehicle is first operated, moved, or left standing upon any highway during its current registration year and the applicant has timely filed, pursuant to subdivision (a) of Section 4604 of the Vehicle Code, a certification that the vehicle will not be operated, moved, or left standing upon any highway during the current registration year without first making an application for registration of the vehicle, including full payment of fees.

(b) If an application for renewal of registration is accompanied by an application for transfer of title, that application may be made without incurring a penalty for delinquent payment of fees not later than 20 days after the date the vehicle is first operated, moved, or left standing on any highway if a certification pursuant to subdivision (a) of Section 4604 of the Vehicle Code was timely filed with the department.

(c) Upon receipt of an application for original registration, the department shall collect the required fee for the current registration year. No penalty shall be imposed if the department receives the application and fee within 20 days after the fee becomes due.

History.—Stats. 1973, Ch. 889, p. 1649, in effect September 28, 1973, operative March 10, 1975, substituted “certificate” for “affidavit” in both sentences; substituted “registration” for “calendar” in the first sentence and added “registration” after “current” in the second sentence; substituted “20” for “30”, “the vehicle . . . highway” for “first operation of the vehicle”, and “its” before “current”, in the second sentence. Stats. 1990, Ch. 1352, in effect September 27, 1990, operative July 1, 1990, substituted “of registration” for “and certificate of nonoperation” after “renewal”, “required” for “proper” after “collect the” in the first sentence, and deleted “and certificate” after “application”, and added “and the applicant . . . payment of fees.” in the second sentence. Stats. 1994, Ch. 1220, in effect September 30, 1994, added subdivision letter designation (a) before first paragraph; substituted “prior to or on” for “within 20 days after” after “receives the application” in the second sentence of subdivision (a); and added subdivisions (b) and (c). Stats. 1998, Ch. 600 (SB 619) in effect January 1, 1999, added “Except as provided in Section 9553 of the Vehicle Code” before “upon” in the first sentence of subdivision (a).

10857. Repossession, effect on penalty. No penalty fee shall be assessed for the delinquent payment of a vehicle license fee, when subsequent to the date on which the fee became due, the vehicle is repossessed on behalf of any legal owner, if the license fee is paid within 60 days of taking possession.

History.—Stats. 1973, Ch. 889, p. 1649, in effect September 28, 1973, operative March 10, 1975, substituted “20” for “30”. Stats. 1974, Ch. 1330, p. 2890, in effect September 26, 1974, substituted “30” for “20”. Stats. 1984, Ch. 200, in effect January 1, 1985, substituted “60” for “30” after “within”, and deleted “and if a transfer of registration to a new owner is applied for during that time” after “possession”.

10858. Waivers of penalties to transferees. (a) When a transferee or purchaser of a vehicle applies for transfer of registration, as provided in Section 5902 of the Vehicle Code, and it is determined by the department that vehicle license fee penalties accrued prior to the purchase of the vehicle and that the transferee or purchaser was not cognizant of the nonpayment of the vehicle license fee for the current or prior registration years, the department may waive the vehicle license fee penalties upon payment of the vehicle license fees due.

(b) Other provisions of this code notwithstanding, the Director of Motor Vehicles may, at his discretion, investigate into the circumstances of any application for registration to ascertain if penalties had accrued through no fault or intent of the owner. Provided such circumstances prevail, the director may waive any penalties upon payment of the license fee then due.

(c) When a transferee or purchaser of a vehicle applies for transfer of registration of a vehicle, and it is determined by the department that license fees for the vehicle for any year are unpaid and due, that the fees became due prior to the transfer or purchase of the vehicle by the transferee or purchaser, and that the transferee or purchaser was not cognizant of the fact that the fees were unpaid and due, the department may waive the fees and any penalty thereon when both of the following conditions exist:

(1) The license plate assigned to the vehicle displays a validating device issued by the department, and the validating device contains the year number of the registration year for which the transferee or purchaser is requesting a waiver of fees and penalties.

(2) the transferee or purchaser has submitted to the department the registration card that indicates the vehicle is registered for the registration year indicated on the validating device displayed on the license plate assigned to the vehicle.

(d) Upon the transfer of a vehicle for which license fees and any penalties thereon are unpaid and due, such fees and penalties are, notwithstanding the provisions of Article 2 (commencing with Section 10876), the personal debt of the transferor of the vehicle who did not pay the fees and penalties when they became due or accrued. The fees and penalties may be collected by the department in an appropriate civil action if the department has waived the fees and penalties pursuant to subdivision (c).

History.—Stats. 1973, Ch. 889, p. 1649, in effect September 28, 1973, added “registration” before “years”, deleted “and the transferor or registered owner of record whereabouts is unknown” after “years”, and substituted “department” for “Department of Motor Vehicles”. Stats. 1976, Ch. 935, p. 2141, in effect January 1, 1977, added “or purchaser” after “transferee” and substituted “provided” for “is provided for” in subdivision (a); substituted “the director” for “he” in the second sentence of subdivision (b); and added subdivisions (c) and (d). Stats. 1983, Ch. 759, in effect January 1, 1984, added “transfer or” before “purchase”, substituted “both of the following conditions exist:” for “the license fees due for the vehicle for the current year are paid” after “when”, and added subparagraphs (1) and (2) in subdivision (c); deleted “of this chapter” after “Section 10876”) in subdivision (d); and substituted “the” for “such” before “fees” in subdivisions (c) and (d).

Article 2. Seizure and Sale

- § 10876. Lien, what constitutes.
- § 10877. Seizure and sale.
- § 10878. Franchise Tax Board collection responsibility and authorization.
- § 10879. Lessee and lessor liability.

10876. Lien, what constitutes. Every license fee and any penalty added thereto, from the date on which the fee becomes due, shall constitute a lien upon the vehicle for which due and upon any other vehicle owned by the owner of that vehicle.

History.—Stats. 1983, Ch. 759, in effect January 1, 1984, added “shall” before “constitute” and “and upon . . . that vehicle” after “which due”.

10877. Seizure and sale. The department shall collect the fee and any penalty by seizure and sale of the vehicle as provided in Article 6 (commencing with Section 9800) of Chapter 6 of Division 3 of the Vehicle Code, or by appropriate civil action.

History.—Stats. 1963, p. 3847, in effect September 20, 1963, amended by adding the reference to the Vehicle Code. Stats. 1983, Ch. 759, in effect January 1, 1984, added “of” before and after “Chapter 6” and added “, or by appropriate civil action” after “Code”.

10878. Franchise Tax Board collection responsibility and authorization. (a) Notwithstanding Sections 10877 and 10951, on and after July 1, 1993, the responsibility and authority for the collection of the following delinquent amounts, and any interest, penalties, or service fees, added thereto, shall be transferred from the department to the Franchise Tax Board.

- (1) Registration fees.
- (2) Transfer fees.
- (3) License fees.
- (4) Use taxes.
- (5) Penalties for offenses relating to the standing or parking of a vehicle for which a notice of parking violation has been served on the owner, and any administrative service fee added to the penalty.

(6) Any court-imposed fine or penalty assessment, and any administrative service fee added thereto, that is subject to collection by the department.

(b) Any reference in this part to the department in connection with the duty to collect these amounts shall be deemed a reference to the Franchise Tax Board.

(c) The amounts collected under subdivision (a) may be collected in any manner authorized under the law as though they were a tax imposed under Part 10 (commencing with Section 17001) that is final, including, but not limited to, issuance of an order and levy under Article 4 (commencing with Section 706.070) of Chapter 5 of Division 2 of Title 9 of Part 2 of the Code of Civil Procedure in the manner provided for earnings withholding order for taxes. Part 10 (commencing with Section 17001), 10.2 (commencing with Section 18401), or 10.7 (commencing with Section 21001), or any other applicable law shall apply for this purpose in the same manner and with the same force and effect as if the language of Part 10, 10.2, or 10.7, or the other

applicable law is incorporated in full into this authority to collect these amounts, except to the extent that the provision is either inconsistent with the collection of these amounts or is not relevant to the collection of these amounts.

(d) Even though the amounts authorized by this section are collected as though they are taxes, amounts so received by the Franchise Tax Board shall be deposited into an appropriate fund or account upon agreement between the Franchise Tax Board and the department. The amounts shall be distributed by the department from the appropriate fund or account in accordance with the laws providing for the deposits and distributions as though the moneys were received by the department.

(e) For any collection action under this section, the Franchise Tax Board may utilize the contract authorization, procedures, and mechanisms available either with respect to the collection of taxes, interest, additions to tax, and penalties pursuant to Section 18837 or 19376, or with respect to the collection of the delinquencies by the department immediately prior to the time this section takes effect.

(f) The Legislature finds that it is essential for fiscal purposes that the program authorized by this section be expeditiously implemented. Accordingly, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code shall not apply to any standard, criteria, procedure, determination, rule, notice, or guideline established or issued by the Franchise Tax Board in implementing and administering the program required by this section.

(g) Any standard, criteria, procedure, determination, rule, notice, or guideline, that is not subject to the provision of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code pursuant to subdivision (f), shall be approved by the Franchise Tax Board, itself.

(h) The Franchise Tax Board may enter into any agreements or contracts necessary to implement and administer the provisions of this section. The Franchise Tax Board in administering this section may delegate collection activities to the department. Any contracts may provide for payment of the contract on the basis of a percentage of the amount of revenue realized as a result of the contractor's services under that contract. However, the Franchise Tax Board, in administering this part, may not enter into contracts with private collection agencies as authorized under Section 19377.

History.—Added by Stats. 1993, Ch. 60, in effect June 30, 1993. Stats. 1993, Ch. 878, in effect January 1, 1994, added "and authority" after "the responsibility", substituted "fees, taxes, and . . . the Vehicle Code" for "vehicle license fees, including local vehicle license fees, and registration fees imposed pursuant to Division 3 (commencing with Section 4000) of the Vehicle Code, and any related penalties" after "of delinquent", and substituted "these amounts" for "delinquent vehicle license fees and any related penalties" after "to collect" in subdivision (a); substituted "amounts collected . . . under the law" for "fees and related penalties shall be collected" after "(b) The", added "that is final, . . . order for taxes" after "Section 17001)" in the first sentence, substituted "Part 10 (commencing . . . Section 21001)," for "Part 10.2 (commencing with Section 18401)" at the beginning of the second sentence, substituted "10, 10.2, or 10.7," for "10.2" after "language of part", and substituted "amounts" for "fees and penalties" after "these" in three instances in the second sentence of subdivision (b); and added subdivisions (c), (d), (e), (f), and (g). Stats. 1994, Ch. 1211, in effect September 30, 1994, substituted "the following delinquent. . . fees added thereto," for "delinquent fees, taxes, and penalties described in subdivision (a) of Section 9800 of the Vehicle Code" after "the collection of" in subdivision (a); and added paragraphs (1) through (6) to subdivision (a). Stats. 1995, Ch. 91, in effect January 1, 1996,

added a comma after "amounts" and deleted ", and any reference in this part to the department in connection with the duty to collect these amounts shall be deemed a reference to the Franchise Tax Board" in the first sentence of subdivision (a) substituted "that" for "which" after "thereto," in paragraph (6) of subdivision (a); added subdivision (b); and relettered former subdivisions (b), (c), (d), (e), (f), (g), and (h) as (c), (d), (e), (f), and (g), respectively, substituted "(f)" for "(e)" after "subdivision" in subdivision (g).

10879. Lessee and lessor liability. In the case of leased vehicles, for purposes of Section 10877, this section, and Article 6 (commencing with Section 9800) of Chapter 6 of Division 3 of the Vehicle Code, the following shall apply:

(a) (1) Except as provided in subdivision (b), in the event the lessor designates the address of the lessee under subdivision (a) of Section 4453.5 of the Vehicle Code and provides the Department of Motor Vehicles with the address of the lessor, at a time and in the form and manner required by the department, the lessee shall be solely liable for the following, and any interest, penalties, or service fees added thereto:

(A) Penalties resulting from the delinquent registration of the leased vehicle.

(B) Penalties for offenses relating to the standing or parking of a vehicle for which a notice of parking violation has been served on the owner.

(C) Any court-imposed fines or penalty assessments that are subject to collection by the department.

(2) Except as provided in paragraph (3), the lien described in Section 9800 of the Vehicle Code shall remain in full force and effect for all unpaid penalties, fines, and fees described in this subdivision, including related interest, if any.

(3) Upon a bona fide sale or transfer of the vehicle, the lien on the vehicle being sold or transferred shall be released if the lessor has paid the registration and license fees within 30 days after the lessor is issued notice and demand by the Franchise Tax Board in accordance with subdivision (b).

(4) Any amount that is owed by the lessee under paragraph (1) at the time the lien is released in accordance with paragraph (3) shall constitute a lessee liability enforceable under Section 9805 of the Vehicle Code and collectible in accordance with Section 10878 of this code.

(b) If, within 30 days after notice and demand is issued to the lessor by the Franchise Tax Board, the lessor fails to pay the registration and license fees required to register the vehicle, all of the following shall apply to the lessor:

(1) The lessor shall remain solely liable for those registration and license fees.

(2) The lessor shall be jointly and severally liable with the lessee for the amounts described in paragraph (1) of subdivision (a).

(3) The lessor shall not be subject to relief under Section 4760 or 9561 of the Vehicle Code or any other law.

Article 3. Refunds

- § 10901. Refund of fee erroneously collected.
§ 10902. Refund of fee; total loss or theft.
§ 10903. Additional offset fee appropriation. [Repealed.]

10901. Refund of fee erroneously collected. Whenever the department or the Department of Housing and Community Development erroneously collects any license fee or portion of a fee not required to be paid under this part, or erroneously applies any offset provided under this part, the erroneously collected amount shall be refunded to the person paying it upon application therefor made within three years after the date of the payment. If the department or the Department of Housing and Community Development discovers an error, it may make a refund in the absence of an application therefor.

History.—Stats. 1949, p. 379, in effect October 1, 1949, substituted “one year” for “six months.” Stats. 1959, p. 3999, in effect September 18, 1959, substituted “two years” for “one year.” Stats. 1961, p. 579, in effect September 15, 1961, substituted “three” for “two.” Stats. 1998, Ch. 322 (AB 2797), in effect August 20, 1998, added “or the Department of Housing and Community Development” after “department”, added “or portion of a fee” after “license fee”, added “or erroneously applies any offset provided under this part,” after the first “this part,” and added “erroneously collected” before “amount shall” in the first sentence, and added the second sentence.

10902. Refund of fee; total loss or theft. (a) In the event of a constructive total loss, in which the repair value exceeds the market value of the vehicle less the anticipated salvage value, or a nonrepairable vehicle, or an unrecovered total loss, due to a theft, of a vehicle, the in-lieu fee portion of the vehicle license fee that has been paid, less any offset provided in Section 10754, shall be refunded to the current registered owner (the owner of the salvage value of the vehicle), or credited against the vehicle license fee owed on the owner’s replacement vehicle. The amount refunded or credited shall be based upon one-twelfth of the annual in-lieu fee, less any offset provided by Section 10754, for each full month that remains until the registration expires.

(b) No refund or credit may be made pursuant to this section unless the vehicle owner has signed a declaration under penalty of perjury that he or she has not been cited or convicted of violating Section 23152 or 23153 of the Vehicle Code (relating to driving under the influence of alcohol or drugs) or Section 23103 as specified in Section 23103.5 of that code (which involves a substitute for an original citation of driving under the influence) in connection with the owner’s vehicle loss. If the owner has been cited under any of these code sections, the owner shall be entitled to the refund or credit upon presentation of either proof of dismissal of the citation or a finding of not guilty.

(c) The Department of Motor Vehicles shall charge to vehicle owners requesting a refund or credit pursuant to this section a service fee in the amount of fifteen dollars (\$15) to cover the administrative costs of processing the request.

(d) In the case of a request for refund or credit with respect to a stolen vehicle, the vehicle owner may not be entitled to a refund or credit prior to 60 days from the date the theft of the vehicle is reported to the police. If a refund

is received or a credit is applied to another vehicle and the stolen vehicle is subsequently recovered, the owner shall return the amount refunded or credited. If the owner receives a refund or credit, and the destroyed or stolen vehicle is scrapped and subsequently repaired by another person, the new owner shall pay the full vehicle license fee.

(e) The Department of Motor Vehicles shall adopt regulations for the administration of the refunds and credits provided by this section.

History.—Added by Stats. 1989, Ch. 718, in effect January 1, 1990. Stats. 1994, Ch. 1008, in effect January 1, 1995, added “or a nonrepairable vehicle,” after “anticipated salvage value,” in the first sentence of subdivision (a); and deleted subdivision (f) which read: “This section shall become operative on January 1, 1991.” Stats. 1998, Ch. 322 (AB 2797), in effect August 20, 1998, added “, less any offset provided in Section 10754,” after “been paid” in the first sentence and added “, less any offset provided in Section 10754,” after “in-lieu fee” in the second sentence of subdivision (a). Stats. 2003, Ch. 719 (SB 1055), in effect January 1, 2004, substituted “may” for “shall” after “refund or credit” in the first sentence of subdivision (b); substituted “shall” for “may” after “of Motor Vehicles” and substituted “service fee in the amount of fifteen dollars (\$15)” for “fee in an amount sufficient” after “this section a” in the first sentence of subdivision (c); and substituted “may” for “shall” after “the vehicle owner” in the first sentence of subdivision (d).

10903. Additional offset fee appropriation. [Repealed by Stats. 2003, Ch. 2, First Extraordinary Session (AB 11) in effect March 18, 2003.]

Article 4. Petitions for Reinstatement of Mobilehomes

[Repealed by Stats. 1985, Ch. 397, in effect July 30, 1985.]

- § 10910. Petition for reinstatement. [Repealed.]
- § 10911. Service fee; investigation; excusable delay. [Repealed.]
- § 10912. Notice of decision. [Repealed.]
- § 10913. Reinstatement; delinquent fees and penalties or local property taxes. [Repealed.]
- § 10914. Failure of dealer or escrow officer to pay license fee timely. [Repealed.]
- § 10915. “Director.” [Repealed.]
- § 10916. Staff. [Repealed.]
- § 10917. Disposition of service fees. [Repealed.]

CHAPTER 4. ADMINISTRATION

- § 10951. Duty of department.
- § 10952. Employment of help.

10951. Duty of department. The department shall enforce the provisions of this part.

10952. Employment of help. The director of the department may employ and fix the salaries of employees necessary to administer and enforce the provisions of this part.

CHAPTER 5. DISTRIBUTION OF PROCEEDS

- § 11000. Transfer to Transportation Tax Fund.
- § 11000.1. Transfer to Transportation Tax Fund.
- § 11001. Fees collected, report of and deposit in fund.
- § 11001.5. Fees collected, deposited in fund.
- § 11002. Appropriations from fund.
- § 11003. Appropriation for use of department.
- § 11003. Appropriation for use of department.
- § 11003.1. Reports of trailer coach registrations. [Repealed.]
- § 11003.1. Deposit of license fees.
- § 11003.2. Transmission of report to assessor. [Repealed.]
- § 11003.3. Disbursement of money collected on trailer coaches. [Repealed.]
- § 11003.4. Distribution within county. [Repealed.]
- § 11004. Appropriation for payment of bonds.
- § 11004.5. Appropriation for Highway Patrol.
- § 11005. Disbursement of balance of fund.

- § 11005.1. Disbursements by city and county.
- § 11005.2. Restrictions on allocations.
- § 11005.3. Newly incorporated city; determination of population.
- § 11005.4. 1993–94 fiscal-year allocations.
- § 11005.5. Payments to inactive cities.
- § 11005.6. Estimates of increased population.
- § 11005.7. Adjustments to reimbursement for fiscal year 1981–82: cities. [Repealed.]
- § 11005.7. Allocations.
- § 11005.75. Adjustments to reimbursement for fiscal year 1982–83: cities. [Repealed.]
- § 11005.8. Adjustments to reimbursement for fiscal year 1981–82: counties and cities and counties. [Repealed.]
- § 11005.85. Adjustments to reimbursement for fiscal year 1982–83: counties and cities and counties. [Repealed.]
- § 11005.86. “1982–83 assessed value.” [Repealed.]
- § 11006. Recalculations; commercial vehicles.

11000. Transfer to Transportation Tax Fund. (a) Beginning on the operative date of Section 9551.2 of the Vehicle Code, the Controller shall do both of the following:

(1) Transfer from the General Fund to the Motor Vehicle License Fee Account in the Transportation Tax Fund an amount equal to 75.67 percent of the amount of offsets that are applied by the department pursuant to Sections 9551.2 and 9554.1 of the Vehicle Code.

(2) Transfer from the General Fund to the Local Revenue Fund, established pursuant to Section 17600 of the Welfare and Institutions Code, in the Transportation Tax Fund an amount equal to 24.33 percent of the amount of offsets that are applied by the department pursuant to Sections 9551.2 and 9554.1 of the Vehicle Code.

(b) The department shall notify the Controller of the total amount of the offsets applied by the department pursuant to Section 9551.2 of the Vehicle Code concurrently with the department’s transfer for deposit of vehicle license fee revenues as required by law.

(c) For purposes of Section 15 of Article XI of the California Constitution, the General Fund revenues that are transferred as required by paragraph (1) of subdivision (a) shall constitute successor tax revenues to the vehicle license fees offset in this part and shall be allocated in the same manner as revenue derived from taxes imposed pursuant to this part.

(d) For purposes of Article 1 (commencing with Section 25350) of Chapter 5 of Part 2 of Division 2 of Title 3 of the Government Code, Section 11003, and Chapter 6 (commencing with Section 17600) of Part 5 of Division 9 of the Welfare and Institutions Code, the General Fund transfer amounts specified in paragraphs (1) and (2) of subdivision (a) are hereby deemed to be vehicle license fee proceeds and vehicle license fee revenues. These General Fund transfer amounts are subject to the same pledges, liens and encumbrances, and priorities set forth in Section 25350 and following of, Section 53584 and following of, and Section 5450 and following of, the Government Code.

(e) Nothing in this section amends or intends to amend or impair Section 25350 and following of, Section 53584 and following of, the Government Code, or any other statute dealing with the interception of funds.

History.—Added by Stats. 1998, Ch. 322 (AB 2797), in effect August 20, 1998.

11000.1. Transfer to Transportation Tax Fund. (a) The Controller shall do both of the following:

(1) Transfer from the General Fund to the Motor Vehicle License Fee Account in the Transportation Tax Fund, in accordance with the information received from the department pursuant to subdivision (b), an amount that is equal to 75.67 percent of the offsets that are determined by the department to be subject to Sections 9551.1 and 9554.1 of the Vehicle Code.

(2) Transfer from the General Fund to the Local Revenue Fund, in accordance with the information received from the department pursuant to subdivision (b), an amount that is equal to 24.33 percent of the offsets that are determined by the department to be subject to Sections 9551.1 and 9554.1 of the Vehicle Code.

(b) For purposes of transfers by the Controller pursuant to paragraphs (1) and (2) of subdivision (a), the department shall provide the Controller with daily estimates of the amounts required to be transferred pursuant to each of those paragraphs, and shall, no less frequently than monthly, notify the Controller of amounts of adjustments to those estimates that reflect completed registrations. On or before June 30, 1999, the department shall notify the Controller of the amounts of any additional adjustments to General Fund transfers required by each of those paragraphs that are required to accurately reflect the total amount of offsets that are subject to Section 9551.1 of the Vehicle Code.

(c) For purposes of Section 15 of Article XI of the California Constitution, the General Fund revenues that are transferred as required by paragraph (1) of subdivision (a) shall be allocated in the same manner as revenue derived from taxes imposed pursuant to this part.

(d) For purposes of Article 1 (commencing with Section 25350) of Chapter 5 of Part 2 of Division 2 of Title 3 of the Government Code, Section 11003, and Chapter 6 (commencing with Section 17600) of Part 5 of Division 9 of the Welfare and Institutions Code, the General Fund transfer amounts specified in paragraphs (1) and (2) of subdivision (a) are hereby deemed to be vehicle license fee proceeds and vehicle license fee revenues. These General Fund transfer amounts are subject to the same pledges, liens and encumbrances, and priorities set forth in Section 25350 and following of, Section 53584 and following of, and Section 5450 and following of, the Government Code.

(e) (1) This section does not apply to transfers from the General Fund with respect to any offsets that are subject to Section 9551.2 of the Vehicle Code.

(2) Nothing in the act adding this section amends or intends to amend or impair Section 25350 and following of, or Section 53584 and following of, the Government Code, or any other statute dealing with the interception of funds.

(f) This section is repealed on January 1, 2000.

History.—Added by Stats. 1998, Ch. 322 (AB 2797), in effect August 20, 1998.

11001. Fees collected, report of and deposit in fund. (a) All money collected by the department for accepted applications under this part shall be reported monthly to the Controller and, at the same time, deposited in the State Treasury to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund.

Any reference in any law or regulation to the Motor Vehicle License Fee Fund shall be deemed to refer to the Motor Vehicle License Fee Account in the Transportation Tax Fund.

(b) The amount of any penalties collected by the department, as provided in Sections 9553 and 9554 of the Vehicle Code and Sections 10770 and 10854 of this code, shall, for purposes of subdivision (a), be deemed to be a percentage of the total fees allocated under this section and under Section 42270 of the Vehicle Code equal to that percentage of the weight fee, registration fee, and vehicle license fee obtained when applying the total of these fees collected, excluding use tax, against the individual weight fees, registration fees, and vehicle license fees collected on each application. Penalties which cannot be allocated in accordance with this subdivision shall be allocated according to subdivision (c).

(c) The amount of any penalties collected by the department, as provided in Sections 9553 and 9554 of the Vehicle Code and Sections 10770 and 10854 of this code which cannot be allocated pursuant to subdivision (b), shall, for purposes of subdivision (a), be deemed to be a percentage of the total fees allocated under this section and under Section 42270 of the Vehicle Code equal to that percentage of the ratio based on the fees previously allocated under this section and under Section 42270 of the Vehicle code in the fiscal year preceding the calendar year for which the penalties are to be allocated. That ratio shall be reevaluated periodically and shall be adjusted to reflect any change in the fee structure that may be provided in this code or in Division 3 (commencing with Section 4000) of the Vehicle Code.

History.—Added by Stats. 1974, Ch. 1330, p. 2891, in effect September 26, 1974, operative March 8, 1976. Stats. 1984, Ch. 123, in effect January 1, 1985, deleted “of this section” after “subdivision (a)”, and substituted “weight fee, . . . each application” for “ratio based on the fees previously allocated under this section and under Section 42270 of the Vehicle Code in the fiscal year preceding the calendar year for which the penalties are to be allocated” after “percentage of the” in the first sentence of the first paragraph of subdivision (b); substituted the second sentence thereof for the former second sentence which provided that “such ratio shall be reevaluated periodically and shall be adjusted to reflect any change in the fee structure that may be provided in this code or in Division 3 (commencing with Section 4000) of the Vehicle Code; deleted the former second paragraph of subdivision (b); and added subdivision (c).

11001.5. Fees collected, deposit in fund. (a) (1) Notwithstanding Section 11001, and except as provided in paragraph 2 and in subdivision (b), 24.33 percent of the moneys collected by the department under this part shall be reported monthly to the Controller, and at the same time, deposited in the State Treasury to the credit of the Local Revenue Fund, as established

pursuant to Section 17600 of the Welfare and Institutions Code. All other moneys collected by the department under this part shall continue to be deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund and allocated to each city, county, and city and county as otherwise provided by law.

(2) For the period beginning on and after July 1, 2003, and ending on July 1, 2004, the Controller shall deposit an amount equal to 28.07 percent of the moneys collected by the department under this part in the State Treasury to the credit of the Local Revenue Fund. All other moneys collected by the department under this part shall continue to be deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund and allocated to each city, county, and city and county as otherwise provided by law.

(b) Notwithstanding Section 11001, net funds collected as a result of procedures developed for greater compliance with vehicle license fee laws in order to increase the amount of vehicle license fee collections shall be reported monthly to the Controller, and at the same time, deposited in the State Treasury to the credit of the Vehicle License Fee Collection Account of the Local Revenue Fund as established pursuant to Section 17600 of the Welfare and Institutions Code. All revenues in excess of fourteen million dollars (\$14,000,000) in any fiscal year shall be allocated to cities and counties as specified in subdivisions (c) and (d) of Section 11005.

(c) Notwithstanding Section 11001, 25.72 percent of the moneys collected by the department on or after August 1, 1991, and before August 1, 1992, under this part shall be reported monthly to the Controller, and at the same time, deposited in the State Treasury to the credit of the Local Revenue Fund, as established pursuant to Section 17600 of the Welfare and Institutions Code. All other moneys collected by the department under this part shall continue to be deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund and allocated to each city, county, and city and county as otherwise provided by law.

(d) This section shall cease to be operative on the first day of the month following the month in which the Department of Motor Vehicles is notified by the Department of Finance of a final judicial determination by the California Supreme Court or any California court of appeal of either of the following:

(1) The allocation of funds from the Vehicle License Fee Account or the Vehicle License Fee Growth Account of the Local Revenue Fund established during the 1991-92 Regular Session is in violation of Section 15 of Article XI of the California Constitution.

(2) The state is obligated to reimburse counties for costs of providing medical services to medically indigent adults pursuant to Chapters 328 and 1594 of the Statutes of 1982.

History.—Added by Stats. 1991, Ch. 87, in effect June 30, 1991, operative August 1, 1991. Stats. 1993, Ch. 788, in effect October 4, 1993, deleted “Vehicle License Fee Account of the” after “credit of the” in the first sentences of subdivisions (a) and (c); added new subdivision (b); relettered former subdivisions (b) and (c) as (c) and (d), respectively; and added “License” after “Motor Vehicle” in subdivision (c). Stats. 2003, Ch. 225 (AB 1752), in effect August 11, 2003, designated the first paragraph of subdivision (a) as paragraph (1) and added “in paragraph (2) and” after “as provided in” in the first sentence therein and added paragraph (2) thereto.

Note.—Section 13, Stats. 1991, Ch. 88, clarified that the provisions of Section 11001.5 shall become operative August 1, 1991.

11002. Appropriations from fund. The money in the Motor Vehicle License Fee Fund is hereby appropriated as provided in this chapter.

11003. Appropriation for use of department. (Operative until June 30, 1982.) The amount appropriated by the Legislature for the use of the Department of Motor Vehicles for the enforcement of this part shall be transferred from the Motor Vehicle License Fee Account in the Transportation Tax Fund to the Motor Vehicle Account in the State Transportation Fund.

11003. Appropriation for use of department. (Operative July 1, 1982.) The amount appropriated by the Legislature for the use of the Department of Motor Vehicles and the Franchise Tax Board for the enforcement of this part shall be transferred from the Motor Vehicle License Fee Account in the Transportation Tax Fund to the Motor Vehicle Account in the State Transportation Fund. That amount shall be determined so that the appropriate costs for registration and motor vehicle license fee activities are apportioned between the recipients of revenues in proportion to the revenues received by those recipients.

History.—The original section provided for appropriations from the License Fee Fund for the use of the Department of Motor Vehicles in an amount determined by the Department of Finance to be necessary for the enforcement of this part but not in excess of 3 percent of the money paid into the fund. Stats. 1945, p. 1968, in effect June 25, 1945, substituted provisions for transfers to the Motor Vehicle Fund during the months of January, April, July, and October of one-quarter of the moneys appropriated by the Legislature from the License Fee Fund for the support of the Department of Motor Vehicles for the fiscal year in which such distribution is made, and added a second paragraph relieving the License Fee Fund from the application of Section 11006 of the Government Code. Stats. 1947, p. 2648, in effect September 19, 1947, reworded the first paragraph (deleting the reference to transfers in specific months) and deleted the second paragraph referring to Section 11006 of the Government Code. Stats. 1971, p. 2431, operative January 1, 1972, substantially revised

this section. Stats. 1980, Ch. 650, in effect July 20, 1980, operative July 1, 1982, added the second sentence. Stats. 1994, Ch. 1243, in effect September 30, 1994, but operative January 1, 1994, added “and the Franchise Tax Board” after “Department of Motor Vehicles” in the first sentence; substituted “That” for “Such” before “amount” and substituted “those” for “such” after “revenues received by” in the second sentence.

11003.1. Reports of trailer coach registrations. [Repealed by Stats. 1992, Ch. 699, in effect September 15, 1992.]

11003.1. Deposit of license fees. All license fees on trailer coaches levied and collected by the Department of Motor Vehicles pursuant to Section 10751 shall be deposited in the State Treasury to the credit of the General Fund.

History.—Added by Stats. 1992, Ch. 699, in effect September 15, 1992. ,

11003.2. Transmission of report to assessor. [Repealed by Stats. 1992, Ch. 699, in effect September 15, 1992.]

11003.3. Disbursement of money collected on trailer coaches. [Repealed by Stats. 1992, Ch. 699, in effect September 15, 1992.]

11003.4. Distribution within county. [Repealed by Stats. 1992, Ch. 699, in effect September 15, 1992.]

11004. Appropriation for payment of bonds. On or before the first day of December of each fiscal year, on order of the Controller, there shall be transferred from the Motor Vehicle License Fee Fund to the General Fund and set apart sufficient money in the amount of the semiannual interest necessary to be paid during the following month of January on bonds of the State issued under:

(a) The “State Highways Act,” approved by the Governor March 22, 1909, and by a majority of the electors at the general election held November 8, 1910.

(b) The “State Highways Act of 1915,” approved by the Governor May 20, 1915, and by a majority of the electors at the general election held November 7, 1916.

(c) Section 2 of Article XVI of the Constitution as approved by a majority of the electors at a special election held July 1, 1919.

(d) Section 3 of Article XVI of the Constitution, as approved by a majority of the electors at the general election held November 2, 1920.

On or before the first day of June of each fiscal year, on order of the Controller, there shall be transferred from the Motor Vehicle License Fee Fund to the General Fund and set apart sufficient money in the amount of the semiannual interest and the annual redemption charges necessary to be paid during the following month of July on the bonds referred to in this section.

History.—Stats. 1949, p. 460, in effect October 1, 1946, added “On or before the first day of December of each fiscal year,” “from the Motor Vehicle License Fee Fund,” substituted “semiannual” for “principal and,” substituted “necessary” for “paid or necessarily,” and substituted “the following month of January” for “each fiscal year” in the first paragraph and added the last paragraph.

11004.5. Appropriation for Highway Patrol. The Controller shall deduct from the allocations he would otherwise make pursuant to Section 11005, the amounts chargeable to each city, county, and city and county under

Section 40516 of the Vehicle Code, and transfer that amount to the Motor Vehicle Fund in augmentation of the funds available for the support of the Department of California Highway Patrol.

The Controller shall make such deductions at the time of the first allocation which occurs after the filing with him of the charges certified by the Commissioner of the California Highway Patrol. If the amount of the deduction for any city, county, or city and county exceeds the amount of the allocation for such city, county, or city and county, the balance of the deduction in excess of the amount of the apportionment shall be carried over and applied to the next succeeding allocation or allocations until exhausted.

History.—Added by Stats. 1950, p. 360, in effect July 4, 1950. Stats. 1959, p. 1793, in effect September 18, 1959, substituted "Section 40516 of the Vehicle Code" for "Vehicle Code Section 139.44."

11005. Disbursement of balance of fund. (a) After payment of refunds therefrom and after making the deductions authorized by Section 11003 and reserving the amount determined necessary by the Pooled Money Investment Board to meet the transfers ordered or proposed to be ordered pursuant to Section 16310 of the Government Code, commencing with the 1989-90 fiscal year, the Controller shall deduct that amount which is necessary to make the allocation provided for in subdivision (j) of Section 98.02.

Eighty-one and one-quarter percent of the balance of all motor vehicle license fees and any other money appropriated by law for expenditure pursuant to this section and deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund and remaining unexpended therein at the close of business on the last day of the calendar month shall be allocated by the Controller by the 10th day of the following month in the manner provided by subdivisions (c) and (d).

(b) Eighteen and three-quarters percent of the balance shall be allocated, as follows:

(1) (A) Commencing with the 1988-89 fiscal year, the Controller shall allocate to each city that existed but did not levy a property tax in the 1977-78 fiscal year, other than for voter-approved indebtedness, an amount equal to the total amount which each of those cities would have received in that fiscal year pursuant to Section 25761 of the Business and Professions Code, Section 4306 of the Public Utilities Code, and Section 26483 of this code, as if those sections were operative in that fiscal year in the form in which they existed on June 1, 1981. For each fiscal year thereafter, the Controller shall increase the amount for each city computed pursuant to this paragraph by the percent by which the revenue to the Motor Vehicle License Fee Account increased over the revenue for the previous fiscal year.

(B) (i) For each fiscal year following the 1988-89 fiscal year in which a city subject to subparagraph (A) receives a distribution of property tax revenue pursuant to Section 97.35, 97.37, or 97.38, the amount to be allocated to the city pursuant to subparagraph (A) shall be reduced by the amount of the distribution made pursuant to those sections.

(ii) No allocation shall be made to a city pursuant to subparagraph (A) in the first fiscal year in which the amount distributed to a city pursuant to Section 97.35, 97.37, or 97.38 equals or exceeds the amount that would have been allocated to that city pursuant to subparagraph (A) or in any fiscal year thereafter.

(iii) Any amount not allocated to a city pursuant to subparagraph (A) as a result of the operation of this subparagraph shall be allocated to eligible cities in accordance with clause (iv).

(iv) Commencing with the 1989-90 fiscal year, the Controller shall allocate the amount determined in clause (iii) for each fiscal year to each eligible city in the proportion that the population of each eligible city bears to total population of all eligible cities.

For purposes of this clause, "eligible city" means any city which incorporated prior to June 5, 1987, and had an amount of property tax revenue allocated to it pursuant to subdivision (a) of Section 97 in the 1987-88 fiscal year which is less than 10 percent of the amount of property tax revenue computed for the 1987-88 fiscal year in accordance with the method described in subdivision (c) of Section 97.35.

The auditor shall notify the Controller of his or her determination of those cities within the county which are eligible cities.

(2) Each month the Controller shall allocate the remainder of the amount determined pursuant to this subdivision to counties and cities and counties in an amount for each county and city and county equal to the revenue received in the 1982-83 fiscal year pursuant to former Section 16111, subdivision (c) of former Section 16113, and former Section 16113.7 of the Government Code. These amounts shall be determined by the Controller with the concurrence of the Director of Finance. The Controller shall allocate any remaining amount determined pursuant to this subdivision to counties and cities and counties in the proportion that the population of each county or city and county bears to the total population of all the counties and cities and counties of the state, as determined pursuant to subdivision (d).

(c) Fifty percent of the payments required by subdivision (a) shall be paid to the cities and cities and counties of this state in the proportion that the population of each city or city and county bears to the total population of all cities and cities and counties in this state, as determined by the population research unit of the Department of Finance. For the purpose of this subdivision, the population of each city or city and county is that determined by the last federal decennial or special census, or a subsequent census validated by the population research unit or subsequent estimate prepared pursuant to Section 2107.2 of the Streets and Highways Code. In the case of a city incorporated subsequent to the last federal census, or a subsequent census validated by the population research unit, the population research unit shall determine the population of the city.

In the case of unincorporated territory being annexed to a city subsequent to the last federal census, or a subsequent census validated by the population research unit, the population research unit shall determine the population of the annexed territory by the use of any federal decennial or special census, or estimate prepared pursuant to Section 2107.2 of the Streets and Highways Code. In the case of the consolidation of one city with another subsequent to the last federal census, or a subsequent census validated by the population research unit, the population of the consolidated city, for the purpose of this subdivision, is the aggregate population of the respective cities as determined by the last federal census, or a subsequent census or estimate validated by the population research unit.

(d) Fifty percent of the payments required by subdivision (a) shall be paid to the counties and cities and counties of the state in the proportion that the population of each county or city and county bears to the total population of all the counties and cities and counties of the state, as determined by the population research unit.

For the purpose of this subdivision, the population of each county or city and county is that determined by the last federal census, or subsequent census validated by the population research unit, or as determined by Section 11005.6.

(e) Money disbursed by the Controller to cities and counties pursuant to this section may be used for county or city purposes and may, but need not necessarily, be used for purposes of general interest and benefit to the state.

(f) Population changes based on a federal special census or a subsequent census validated by the Department of Finance shall be accepted by the Controller only if certified to him at the request of the city, city and county, or county for which the census was made and shall become effective on the first day of the month following receipt of the certification.

History.—Stats. 1945, p. 1968, in effect June 25, 1945, substituted present first paragraph for provision that balance in the fund should on order of the Controller be disbursed as thereafter set forth, amended former subdivision (a) relating to the disbursement of 20 percent of the balance of the fund, and substituted “determined by the Controller” for “certified by the department” in former subdivisions (b) and (c). Stats. 1947, p. 2648, in effect September 19, 1947, inserted “and 11004” at the end of the present first paragraph, deleted former subdivision (a), substituted “Fifty” for “Forty” at the beginning of the first paragraph of former subdivision (b), deleted “and for any other state purpose” from the second paragraph of former subdivision (b), substituted “Fifty” for “Forty” at the beginning of former subdivision (c), and relettered former subdivisions (b) and (c) as subdivisions (a) and (b), respectively. Stats. 1949, p. 2832, in effect October 1, 1949, substituted the clause beginning “and remaining unexpended” and ending “of this section,” for “during the preceding three months and remaining therein,” deleted “during said period” after “refunds therefrom,” deleted “at the time of making the transfers authorized by Sections 11003 and 11004” after “Controller” and added “during the months of December and June of each fiscal year” in the first paragraph; deleted “quarterly during each fiscal year” after “paid,” deleted “total” before “population,” substituted the second “Controller” for “department” and added “and any other state purpose” in subdivision (a); deleted “quarterly during each fiscal year” and “paid” in subdivision (b). Stats. 1949, p. 461, approved by the Governor prior to Stats. 1949, p. 2832, would also have amended this section. Stats. 1951, p. 2575, in effect September 22, 1951, added “inhabited” to third sentence of subdivision (a) and added the fourth sentence thereto. Stats. 1957, p. 2435, in effect September 11, 1957, added subdivision (c). Stats. 1959, pp. 2815-2816, in effect September 18, 1959, added “or as determined by Section 11005.6.” to subdivision (b). Stats. 1959, p. 2478, which was approved by the Governor prior to pp. 2815-2816, would also have amended this section. Stats. 1961, p. 3411, in effect September 15, 1961, added “by use of any federal decennial . . . or, if no such other estimate or census was made” in the fourth sentence of subdivision (a). Stats. 1967, p. 3879, in effect November 8, 1967, substituted “Section 2107.2” for “Section 194.2” of the Streets and Highways Code, in subdivision (a). Stats. 1969, p. 273, in effect May 27, 1969, substantially revised this section. Stats. 1971, p. 2431, operative January 1, 1972, substantially revised this section. Stats. 1973, Ch. 806, p. 1437, in effect January 1, 1974, operative January 1, 1974, through June 30, 1975, substituted “Population Research Unit of the Department of Finance” for “Controller” in the first sentence, added “or a subsequent census validated by the Population Research Unit of the Department of Finance” after “federal census” in the second sentence, substituted “two” for “three” in the third sentence, substituted “two” for “three” after “by multiplying the number of registered electors therein by” in the fourth sentence, and added “or a subsequent census validated by the Population Research Unit of the Department of Finance” to the fifth sentence of subdivision (a); and

substituted "Population Research Unit of the Department of Finance" for "Controller" in the first sentence, and added "or subsequent census validated by the Population Research Unit of the Department of Finance" after "Section 1105.6" in the second sentence of subdivision (b). Stats. 1973, Ch. 889, p. 1650, in effect September 28, 1973, operative July 1, 1975, added "and after transferring 2.2 percent of the remaining revenue to the Motor Vehicle Account in the Transportation Tax Fund," after "Government Code" in the first sentence of the first paragraph; substituted "Controller" for "Population Research Unit of the Department of Finance" in the first sentence, added "after" after "subdivision"; and deleted the language after "federal census" in the second sentence, added "after" after "population of the city" and after "annexed territory"; and substituted "three" for "two" in the third sentence, deleted "after" after "territory"; substituted "or estimate prepared" for "or estimate"; added "after" after "Code"; and substituted "three" for "two" after "by multiplying the number of registered electors therein by" in the fourth sentence, and added "after" after "consolidated city" and after "subdivision"; and deleted the language after "federal census" in the fifth sentence of subdivision (a); and substituted "Controller" for "Population Research Unit of the Department of Finance" in the first sentence, and added "after" after "subdivision"; and deleted the language after "Section 11005.6" in the second sentence of subdivision (b). Stats. 1974, Ch. 1330, p. 2891, in effect September 26, 1974, substituted "2.5" for "2.2" in the first sentence of the first paragraph. Stats. 1975, Ch. 1186, in effect January 1, 1976, deleted "transferred to the credit of a special account in the General Fund and" after "shall be" in the first sentence of the first paragraph; substituted "population research unit of the Department of Finance" for "Controller" in the first sentences of subdivisions (a) and (b); substituted "decennial or special census" for "census" in the second sentence of subdivision (a), and added the balance of the sentence; added "federal" after "last" in the third, fourth, and fifth sentences of subdivision (a); added "or census validated by the population research unit of the Department of Finance," after "census" in the third sentence of subdivision (a); added "or a subsequent census validated by the population research unit of the Department of Finance," after "census" in the third, fourth, and fifth sentences of subdivision (a) and in the second sentence of subdivision (b); deleted "by which the population of the annexed territory was counted," after "Code," in the fourth sentence of subdivision (a); and added "or a subsequent census or estimate validated by the population research unit of the Department of Finance" after "census" in the fifth sentence of subdivision (a). Stats. 1978, Ch. 354, in effect January 1, 1979, substituted "100" for "at least 90" in the first sentence of the first paragraph. Stats. 1980, Ch. 650, in effect July 20, 1980, operative July 1, 1982, deleted "and after transferring 2.5 percent of the remaining revenue to the Motor Vehicle Account in the Transportation Tax Fund" after "Government Code" in the first sentence. Stats. 1983, Ch. 323, in effect July 21, 1983, effective July 1, 1983, added subdivision (d). Stats. 1983, Ch. 983, in effect September 21, 1983, operative November 1, 1983, substituted "81.25" for "100" before "percent" and substituted "manner provided by subdivisions (a) and (b)." for "the following manner:" in the first sentence, and added the second sentence to the first paragraph; and added "to cities and counties" after "Controller" in the first paragraph of subdivision (c). Stats. 1984, Ch. 448, in effect July 16, 1984, added "(a)" before "after" and substituted "(c) and (d)" for "(a) and (b)" after "subdivisions" in the first sentence of subdivision (a), and deleted the former second sentence which provided that "eighteen and three-quarters percent shall be transferred by the Controller to the unappropriated surplus of the general fund"; added subdivision (b); relettered former subdivisions (a), (b), and (c) as (c), (d), and (e), respectively; added "of the payments required by subdivision (a)" after "thereof" in the first sentence of subdivision (c); and substituted "of the payments required by subdivision (a)" for "thereof" in the first sentence of subdivision (d). Stats. 1986, Ch. 1242, effective January 1, 1987, substituted "the" for "such" after "reserving", deleted "as is" after "amount", added "necessary" after "determined", and deleted "be necessary to" after "Board to" in subdivision (a); substituted "former Section 16111, subdivision (c) of former Section 16113, and former Section 16113.7" for "Sections 16111, 16113(c), and 16113.7" after "pursuant to" in the first sentence of subdivision (b)(2); deleted "thereof" after "percent" in the first sentence, deleted "of the Department of Finance" after "unit" in the second sentence, deleted "or census validated by the population research unit of the Department of Finance, or in the case of an inhabited unincorporated territory being annexed to a city subsequent to the last federal census," after "federal census", substituted "the population research unit shall determine" for "of the Department of Finance, the Controller shall ascertain" after "unit", and deleted "or the annexed territory, by multiplying the number of registered electors therein by three" after "of the city" in the third sentence, deleted "uninhabited" after "case of", substituted "the population research unit shall determine" for "of the Department of Finance, the Controller shall ascertain" after "unit", and deleted "or, if no such other estimate or census was made, by multiplying the number of registered electors therein by three two years after the completion of annexation proceedings or at such earlier time as the legislative body may request" after "Code" in the fourth sentence, and deleted "of the Department of Finance" after "unit" in both places in the fifth sentence of subdivision (c); deleted "of the Department of Finance" after "unit" in the first and second sentences of subdivision (d); and lettered the former sixth paragraph as subdivision (f), and substituted "the" for "such" after "receipt of" therein. Stats. 1987, Ch. 1211, in effect January 1, 1988, added "each month to counties and cities and counties" after "shall be allocated" in the first sentence of subdivision (b); and deleted former subdivision (b)(1) and first sentence of former subdivision (b)(2), which provided:

"(1) In July of each fiscal year, the Controller shall allocate to each city that existed but did not levy a property tax in the 1977-78 fiscal year, other than for voter-approved indebtedness, an amount equal to the total amount which each of those cities would have received in that fiscal year pursuant to Section 25761 of the Business and Professions Code, Section 4306 of the Public Utilities Code, and Section 26483 of the Revenue and Taxation Code, as if those sections were operative in that fiscal year in the form in which they existed on June 1, 1981. For the 1985-86 fiscal year and each fiscal year thereafter, the Controller shall increase the amount for each city computed pursuant to this paragraph by the percent by which the revenue to the Motor Vehicle License Fee Account increased over the revenue for the previous fiscal year.

(2) Each month the Controller shall allocate the remainder of the amount determined pursuant to this subdivision to counties and cities and counties, as follows:" Stats. 1988, Ch. 944, in effect September 16, 1988, added "commencing with 1989-90 . . . Government Code." after "Government Code" in the first sentence of the first paragraph of subdivision (a); and added "as follows:" after "allocated" in the first sentence of subdivision (b) and revised the disbursement method in subdivisions (b)(1) and (b)(2). Stats. 1999, Ch. 550 (SB 275), in effect September 28, 1999, operative January 1, 2000, substituted "subdivision (j) of Section 98.02" for "Section 77202.5 of the Government Code" after "provided for in" in subdivision (a); created new paragraph with former third sentence of subdivision (c) beginning with "In the case" in subdivision (c); and created new paragraph with former second sentence of subdivision (d) beginning with "For the purpose" in subdivision (d). Stats. 1999, Ch. 550 (SB 275), in effect September 28, 1999, operative January 1, 2000, substituted "subdivision (j) of Section 98.02" for "Section 77202.5 of the Government Code" after "provided for in" in subdivision (a); created new paragraph with former third sentence of subdivision (c) beginning with "In the case" in subdivision (c); and created new paragraph with former second sentence of subdivision (d) beginning with "For the purpose" in subdivision (d).

Note.—Section 149.41 of Stats. 1983, Ch. 323, provided that prior to determining the amounts available under Section 11005 of the Revenue and Taxation Code, and prior to making any reduction as provided under Section 100.7 of the Revenue and Taxation Code, the Controller shall distribute an amount equal to the total amount which a city which became incorporated on September 11, 1979, would have received pursuant to Section 25761 of the Business and Professions Code, Section 4306 of the Public Utilities Code, and Section 26483 of the Revenue and Taxation Code as those sections read on June 1, 1981. The Department of Finance shall determine that amount. Sec. 149.42 thereof provided that prior to determining the amounts available under Section 11005 of the Revenue and Taxation Code, and prior to making any reduction as provided under Section 100.7 of the Revenue and Taxation Code, the Controller shall distribute an amount equal to the total amount which a city which became incorporated on January 20, 1923, would have received pursuant to Section 25761 of the Business and Professions Code, Section 4306 of the Public Utilities Code, and Section 26483 of the Revenue and Taxation Code as those sections read on June 1, 1981. The Department of Finance shall determine that amount.

Note.—Section 12 of Stats. 1986, Ch. 1242, provided that no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution.

Note.—Section 33 of Stats. 1999, Ch. 550 (SB 275) provided that with certain exceptions, the provisions of this act shall become operative on January 1, 2000.

Note.—See note following Section 75.71.

Appropriations to cities and counties upheld.—Subdivision (b) of this section does not violate Section 12 of Article XI of the State Constitution, prohibiting the Legislature from taxing the cities or counties, or the inhabitants thereof, for local purposes. The purposes enumerated in subdivision (b) are state purposes, even though under some circumstances the purpose could also be local. *City of Los Angeles v. Riley*, 6 Cal.2d 621.

Subdivision (c) is likewise valid, notwithstanding the fact that it does not expressly define the purposes for which the money must be expended. The constitutional limitation must be read into the statute, and as so construed the appropriation is for state purposes. *Los Angeles County v. Riley*, 6 Cal.2d 625.

11005.1. Disbursements by city and county. (a) Any city or city and county may expend any money received by it pursuant to Section 11005 for:

(1) Planning, acquiring, constructing, operating, or maintaining a rapid transit system itself or jointly with one or more other cities, counties, cities and counties, or public rapid transit districts, agencies, or authorities; or

(2) Making contributions to any public rapid transit district, agency, or authority exercising jurisdiction within the city or city and county for use in planning, acquiring, constructing, operating, or maintaining a rapid transit system.

(b) A county may expend such money in making contributions to any city or public rapid transit district, agency, or authority within the county for use in planning, acquiring, constructing, operating, or maintaining a rapid transit system.

History.—Added by Stats. 1963, p. 3809, in effect September 20, 1963.

11005.2. Restrictions on allocations. Notwithstanding subdivision (b) of Section 11005, the Controller shall not allocate any revenue pursuant to paragraph (1) of that subdivision to any city which receives revenue pursuant to Section 97.3 or pursuant to Section 56842.2 of the Government Code.

History.—Added by Stats. 1984, Ch. 447, in effect July 16, 1984. Stats. 1987, Ch. 1210, in effect January 1, 1988, added "or pursuant to Section 56842.2 of the Government Code" after "Section 97.3".

Note.—See Note following Section 95.

11005.3. Newly incorporated city; determination of population. (a) In the case of a city that incorporated on or after January 1, 1987, the Controller shall determine that the population of the city for its first 10 full

fiscal years, and any portion of the first year in which the incorporation is effective if less than a full fiscal year, is the greater of either:

(1) The number of registered voters in the city multiplied by three. The number of registered voters shall be calculated as of the effective date of the incorporation of the city.

(2) The population determined pursuant to subdivision (c) of Section 11005.

(b) In the case of a city that incorporated on or after January 1, 1987, and for which the application for incorporation was filed with the executive officer of the local agency formation commission pursuant to subdivision (a) of Section 56828 of the Government Code on or after January 1, 1991, the Controller shall determine that the population of the city for its first seven full fiscal years, and any portion of the first year in which the incorporation is effective if less than a full fiscal year, is the greater of either:

(1) The number of registered voters in the city multiplied by three. The number of registered voters shall be calculated as of the effective date of the incorporation of the city.

(2) The population determined pursuant to subdivision (c) of Section 11005.

(c) In the case of unincorporated territory being annexed to a city, during the 10-year or seven-year period following incorporation, as the case may be, subsequent to the last federal census, or a subsequent census validated by the population research unit of the Department of Finance, the unit shall determine the population of the annexed territory by the use of any federal decennial or special census or any estimate prepared pursuant to Section 2107.2 of the Streets and Highways Code. The population of the annexed territory as determined by the unit shall be added to the city's population as previously determined by the Controller pursuant to paragraph (1) or (2) of subdivision (a), or paragraph (1) or (2) of subdivision (b), as applicable.

(d) After the 10-year or seven-year period following incorporation, as the case may be, the Controller shall determine the population of the city pursuant to subdivision (c) of Section 11005.

(e) The amendments made to this section by the act adding this subdivision shall not apply with respect to either of the following:

(1) Any city that has adopted an ordinance or resolution, approved a ballot measure, or is subject to a consent decree or court order, that annually limits the number of housing units that may be constructed within the city.

(2) Any city that has not prepared and adopted a housing element in compliance with Section 65585 of the Government Code.

(f) This section shall become operative July 1, 1991.

History.—Added by Stats. 1986, Ch. 1242, in effect January 1, 1987, operative July 1, 1990. Stats. 1988, Ch. 367, in effect January 1, 1989, substituted "1991" for "1990" in subdivision (b). Stats. 1990, Ch. 101, in effect January 1, 1991, deleted "(a) Notwithstanding subdivision (c) of Section 11005, in the case of a city which incorporated on or after January 1, 1987, the Controller shall determine the population of the city for its first eight full fiscal years, and any portion of the first year in which the incorporation is effective, if less than a full fiscal year, by multiplying the number of registered voters in the city by three. Thereafter, the Controller shall determine the population of the city pursuant to subdivision (c) of Section 11005" and added subdivisions (a), (b), (c), and (d), and relettered former subdivision (b) as (e). Stats. 1991, Ch. 1091, in effect January 1, 1992, deleted "Multiplying" after "(1)", added "multiplied" after "city", in paragraph (1) of

subdivision (a); deleted "Multiplying" after "(1)", added "multiplied" after "city" in paragraph (1) of subdivision (b); added "year" after "eight-" in subdivisions (c) and (d). Stats. 1997, Ch. 583 (AB 1226), in effect January 1, 1998, substituted "10" for "eight" after "for its first" in the first sentence of subdivision (a); substituted "seven" for "five" after "for its first" in the first sentence of subdivision (b); substituted "10" for "eight" after "during the" and substituted "seven" for "five" after "-year or" in the first sentence and added the second sentence in subdivision (c); substituted "10" for "eight" after "during the" and substituted "seven" for "five" after "-year or" in subdivision (d); added new subdivision (e) and relettered former subdivision (e) as (f).

11005.4. 1993-94 fiscal-year allocations. Notwithstanding Section 11005, for the 1993-94 fiscal year only, after payment of refunds therefrom and after making the deductions authorized by Section 11003 and reserving the amount determined necessary by the Pooled Money Investment Board to meet the transfers ordered or proposed to be ordered pursuant to Section 16310 of the Government Code, the Controller shall, in addition to making any allocations required by Section 11005, allocate, in accordance with the procedures applicable to those moneys allocated pursuant to subdivisions (c) and (d) of Section 11005, the amount of one hundred thirty million dollars (\$130,000,000) as follows:

(a) Ninety million dollars (\$90,000,000) to cities in proportion to the total property tax revenue allocation reduction for each city as a result of Sections 97.02 and 97.035, as determined by the Director of Finance.

(b) Forty million dollars (\$40,000,000) to counties and cities and counties in proportion to the total property tax revenue allocation reduction for each county or city and county as a result of Sections 97.02 and 97.035, as determined by the Director of Finance.

History.—Added by Stats. 1993, Ch. 68, in effect June 30, 1993.

11005.5. Payments to inactive cities. The payments provided under Section 11005 shall not be made to any incorporated city which has not held an election of municipal officers within a period of 10 years preceding the date of such payment. Payments heretofore accumulated on behalf of any such city shall be apportioned to all other cities in the manner provided by Section 11005.

History.—Added by Stats. 1953, p. 2183, in effect September 9, 1953.

11005.6. Estimates of increased population. Any city, county, or city and county may apply to the population research unit of the Department of Finance to estimate its population. The department may make the estimate if in the opinion of the department there is available adequate information upon which to base the estimate. Not less than 25 days nor more than 30 days after the completion of the estimate, the Department of Finance shall file a certified copy thereof with the Controller if the estimate is greater than the current certified population. Such a certification may be made once each fiscal year.

All payments under Section 11005 for any allocation subsequent to the filing of the estimate shall be based upon the population so estimated until a subsequent certification is made by the Department of Finance or a subsequent federal decennial census is made.

Population changes based on a federal or state special census or estimate validated by the Department of Finance shall be accepted by the Controller only if certified to him or her at the request of the Department of Finance. The request shall be made only if the census or estimate is greater than the current certified population and shall become effective on the first day of the month following receipt of the certification.

The Department of Finance may assess a reasonable charge, not to exceed the actual cost thereof, for the preparation of population estimates pursuant to this section, which is a proper charge against the city, county, or city and county applying therefor. The amount received shall be deposited in the State Treasury as a reimbursement to be credited to the appropriation from which the expenditure is made.

As of May 1, 1988 any population estimate prepared by the Department of Finance pursuant to Section 2227 may be used for all purposes of this section unless a written request not to certify is received by the department from the city, city and county, or county within 25 days of completion of the estimate.

History.—Added by Stats. 1959, p. 2816, in effect September 18, 1959. Stats. 1967, p. 3092, in effect November 8, 1967, substituted “Each year except the year of a” for “During the year beginning January 1, 1965, and every fifth year following the year of the last” federal decennial census, and added the requirement for an enumeration, in the first sentence of the first paragraph; and deleted language requiring a population increase of 5 percent or more from the first sentence of the second paragraph. Stats. 1969, p. 1181, in effect November 10, 1969, substituted “Once each calendar year” for “Each year” in the first sentence of the first paragraph. Stats. 1970, p. 24, in effect March 16, 1970, deleted “except the year of a federal decennial census” after “Once each calendar year” in the first sentence of the first paragraph. Stats. 1973, Ch. 358, p. 797, in effect August 31, 1973, added last paragraph. Stats. 1975, Ch. 1186, p. 2923, in effect January 1, 1976, substituted “Any” for “Once each calendar year, any”, substituted “which has had a census taken” for “whose population has been increased substantially since the last federal census and which has held an enumeration”, substituted “United States” for “federal”, and substituted “its population” for “the increase in population” in the first sentence, added “and if requested to do so by the county or city and county,” after “estimate,” in the third sentence, and added the fourth sentence of the first paragraph; added the balance of the first sentence after “estimated”, and deleted the former second sentence of the second paragraph; substituted the third paragraph for the former third paragraph; and substituted “the Revenue and Taxation Code” for “this code”, and added the balance of the first sentence of the fifth paragraph after “this section”. Stats. 1984, Ch. 711, in effect January 1, 1985, added “city,” before “county” and deleted “which has had a census taken within the five-year period preceding application under the supervision of either the United States Bureau of the Census of the Department of Finance” after “and county” in the first sentence of the first paragraph. Stats. 1986, Ch. 982, effective January 1, 1987, added “the population research unit of” after “apply to” in the first sentence, deleted “the department and” after “with” in the third sentence, and substituted “fiscal” for “calendar” after “each” in the fourth sentence of the first paragraph; deleted “of the Revenue and Taxation code” after “Section 11005”, and deleted “such time as” after “until” in the second paragraph; added “or her” after “him”, and substituted “the” for “such” after “receipt of” in the third paragraph; and deleted “of the Revenue and Taxation Code” after “Section 2227”, and substituted “,” for “or” after “city” in the fifth paragraph. Stats. 1988, Ch. 154, in effect June 10, 1988, added a comma after “county” in the first sentence of the first and fourth paragraphs; substituted “not less than 25 days nor more than 30 days after the” for “Upon”, deleted “and if requested to do so by the city, county or city and county,” before “the Department”, added “if the estimate is greater than the current certified population” after “Controller” in the second sentence of the first paragraph; added “or state” after “federal”, deleted “a subsequent census or” before “estimate validated”, substituted “Department of . . . certified population” for “city, city and county, or county for which the census or estimate was made” in the third paragraph; added “As of May 1, 1988” before “any population”, deleted “the provisions of” before “Section 2227”, substituted “unless” for “if” before “a written”, substituted “not to certify” for “for certification to the Controller”, added “by the department” after “received”, substituted “25” for “45” before “days” in the fifth paragraph.

11005.7. Adjustments to reimbursement for fiscal year 1981–82: cities. [Repealed by Stats. 1984, Ch. 448, in effect July 16, 1984.]

11005.7. Allocations. Notwithstanding Section 11005, after payment of refunds therefrom and after making the deductions authorized by Section 11003 and reserving the amount determined necessary by the Pooled Money Investment Board to meet the transfers ordered or proposed to be ordered pursuant to Section 16310 of the Government Code, the Controller shall, in addition to making any allocations required by Section 11005, allocate, in accordance with the procedures applicable to those moneys allocated

pursuant to subdivisions (c) and (d) of Section 11005, the amount of fifty million dollars (\$50,000,000), as follows:

(a) Twenty-five million dollars (\$25,000,000) to cities and cities and counties in proportion to the total property tax revenue allocation reduction for each city and city and county as a result of Section 97.02, as determined by the Director of Finance.

(b) Twenty-five million dollars (\$25,000,000) to counties and cities and counties in proportion to the total property tax revenue allocation reduction for each county and city and county as a result of Section 97.02, as determined by the Director of Finance.

History.—Added by Stats. 1993, Ch. 68, in effect June 30, 1993.

11005.75. Adjustments to reimbursement for fiscal year 1982–83: cities. [Repealed by Stats. 1984, Ch. 448, in effect July 16, 1984.]

11005.8. Adjustments to reimbursement for fiscal year 1981–82: counties and cities and counties. [Repealed by Stats. 1984, Ch. 448, in effect July 16, 1984.]

11005.85. Adjustments to reimbursement for fiscal year 1982–83: counties and cities and counties. [Repealed by Stats. 1984, Ch. 448, in effect July 16, 1984.]

11005.86. “1982–83 Assessed Value.” [Repealed by Stats. 1984, Ch. 448, in effect July 16, 1984.]

11006. Recalculations; commercial vehicles. (a) Commencing on December 31, 2001, the Controller, in consultation with the Department of Motor Vehicles and the Department of Finance, shall recalculate the distribution of the amount of motor vehicle license fees paid by commercial vehicles that are subject to Section 9400.1 of the Vehicle Code and transfer those sums from the General Fund as follows in the following order:

(1) An amount sufficient to cover all allocations and interception of funds associated with all pledges, liens, encumbrances and priorities as set forth in Section 25350.6 of the Government Code, which shall be transferred so as to pay that allocation.

(2) An amount sufficient to continue allocations to the State Treasury to the credit of the Vehicle License Fee Account of the Local Revenue Fund, as established pursuant to Section 17600 of the Welfare and Institutions Code, which would be in the same amount had the amendments made by the act that added this section to Section 10752 of the Revenue and Taxation Code not been enacted, which shall be deposited in the State Treasury to the credit of the Vehicle License Fee Account Local the Local Revenue Fund, as established pursuant to Section 17600 of the Welfare and Institutions Code.

(3) An amount sufficient to continue allocations to the State Treasury to the credit of the Vehicle License Fee Growth Account of the Local Revenue Fund, as established pursuant to Section 176004 of the Welfare and Institutions Code, which would be in the same amount had the amendments

made by the act that added this section to Section 10752 of the Revenue and Taxation Code not been enacted, which shall be deposited in the State Treasury to the credit of the Vehicle License Fee Growth Account of the Local Revenue Fund, as established pursuant to Section 17600⁴ of the Welfare and Institutions Code.

(4) An amount sufficient to cover all allocations and interception of funds associated with all pledges, liens, encumbrances and priorities, other than those referred to in paragraph (1), as set forth in Section 25350 and following of, Section 53584 and following of, 5450 and following of, the Government Code, which shall be transferred so as to pay those allocations.

(b) The balance of any funds not otherwise allocated pursuant to subdivision (a) shall continue to be deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund and allocated to each city, county, and city and county as otherwise provided by law.

(c) In enacting paragraphs (1) and (4) of subdivision (a), the Legislature declares that paragraphs (1) and (4) of subdivision (a), shall not be construed to obligate the State of California to make any payment to a city, city and county, or county from the Motor Vehicle License Fee Account in the Transportation Tax Fund in any amount or pursuant to any particular allocation formula, or to make any other payment to a city, city and county, or county, including, but not limited to, any payment in satisfaction of any debt or liability incurred or so guaranteed if the State of California had not so bound itself prior to the enactment of this section.

History.—Added by Stats. 2000, Ch. 861 (SB 2084) in effect September 29, 2000. Stats. 2003, Ch. 471 (SB 1062), in effect January 1, 2004, added “from the General Fund” after “those sums” in the first sentence of subdivision (a), added “by the act that added this section” after “amendments made”, deleted “made by the act that added this section had” after “Taxation Code”, and deleted “Local Revenue Fund” after “Fee Amount” in the first sentence of paragraph (2) thereof, and substituted “Section 17600” for “Section 17604” after “pursuant to”, added “by the act that added this section” after “amendments made”, deleted “made by the act that added this section had” after “Revenue and Taxation Code”, and substituted “Section 17600” for “Section 17604” after “pursuant to” in the first sentence of paragraph (3) thereof.

2250
2004-1

Property Taxes Law Guide
VEHICLE LICENSE FEE

PART 5.5. LOCAL VEHICLE LICENSE FEE SURCHARGE *

- § 11151. Definitions.
- § 11152. Imposition of fee.
- § 11152.5. Inoperative date: fare increase.
- § 11153. Operative date: ordinance or resolution.
- § 11154. Imposition of fee.
- § 11155. Disposition of funds.
- § 11156. Presumption of use.

11151. **Definitions.** (a) For purposes of this part, “department” means the Department of Motor Vehicles.

(b) For purposes of this part, “county” means the City and County of San Francisco.

11152. **Imposition of fee.** The county may impose a local vehicle license fee surcharge if both of the following occur:

(a) The board of supervisors finds both of the following:

(1) That there is traffic congestion within the county that can be alleviated by the operation of public transit and that the cost of funding public transit exceeds the revenues to be collected from a vehicle license fee surcharge.

(2) That the imposition of the vehicle license fee surcharge will reduce the need for any public transit fare increases during the period that the vehicle license fee surcharge is in effect.

(b) The ordinance or resolution proposing the surcharge is adopted by two-thirds of the voters of the county voting on the issue.

11152.5. **Inoperative date: fare increase.** If public transit fares are increased at any time while the vehicle license fee surcharge authorized by this part is in effect, the surcharge may not continue to be imposed.

This part shall become inoperative on the date those fares are increased and shall be repealed on January 1 next following that date. The board of supervisors shall notify the department of any increase in public transit fares occurring while the surcharge is in effect.

11153. **Operative date: ordinance or resolution.** A vehicle license fee surcharge ordinance or resolution adopted pursuant to this part shall be operative on January 1 of the year following adoption of the ordinance or resolution. A local vehicle license fee surcharge shall apply to any original registration occurring on or after that January 1, and to any renewal of registration with an expiration date on or after that January 1.

11154. **Imposition of fee.** The local vehicle license fee surcharge shall be imposed for the privilege of operating upon the public highways in the county any vehicle of a type that is subject to registration under the Vehicle Code, except those vehicles expressly exempted from payment of vehicle registration fees and commercial vehicles weighing more than 4,000 pounds, unladen, and shall include provisions in substance as follows:

* Added by Stats. 1993, Ch. 966, in effect January 1, 1994.

(a) A provision that the annual amount of the local vehicle license fee surcharge shall be a sum equal to not more than 15 percent of the vehicle license fee imposed pursuant to Part 5 (commencing with Section 10701).

(b) A provision that the county contract prior to the effective date of the local vehicle license fee surcharge ordinance or resolution with the department to perform all functions incident to the administration or operation of the local vehicle license fee surcharge ordinance or resolution of the county.

(c) A provision that the revenue derived from any vehicle license fee surcharge ordinance or resolution imposed pursuant to this part shall be distributed to the county for use exclusively for the provision of public transit, including capital outlay, security, and maintenance costs, and including, but not limited to, removal of graffiti from public transit vehicles and facilities, and to pay the costs of compliance with subdivision (b) of Section 11152.

11155. Disposition of funds. All local vehicle license fee surcharge revenues, less refunds, collected by the department pursuant to a contract with a county, after deduction of the administrative costs incurred by the department in carrying out this part, shall be paid to that county.

11156. Presumption of use. A person shall, for the purposes provided for in Section 11154, be presumed to be operating a vehicle on the public highways only in the county in which he or she resides, or, in the case of other than a natural person, only in the county in which the vehicle is principally garaged, and he or she shall be subject to a local vehicle license fee surcharge only in that county.